

Schedule RC-T – Navigating through the requirements and instructions

May 3, 2023
Satish G. Pattegar
36th Fiduciary Risk Management Conference
FIRMA
San Antonio

The information expressed herein is for informational purposes only. This presentation reflects the personal views of the presenter and does not reflect the views of Wells Fargo. All information contained in this presentation is Public information.

What is RC-T?

- Report of Condition-Trust
- A schedule in the Bank's Call Report
- Call Report required to be filed by law
 - Filed quarterly as of the close of business on the last day of each calendar quarter
 - Collects basic financial data of commercial banks in the form of a balance sheet, an income statement, and supporting schedules
 - Coordinated by the FFIEC (FRB, FDIC, NCUA, OCC, and the CFPB)

Call Report Forms

- FFIEC 051 – Consolidated Reports of Condition and Income for a Bank with Domestic offices only and Total assets less than \$5 Billion
- FFIEC 041 – Consolidated Reports of Condition and Income for a Bank with Domestic offices only
- FFIEC 031 – Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign offices

Call Report Schedules (031 and 041)

- RI – Income Statement
- RI-A - Changes in Equity Capital
- RI-B – Charge-offs and Recoveries and charges in allowances for credit losses
 - Part I – Charge-offs and recoveries on loans and leases
 - Part II – Charges in Allowances for credit losses
- RI-C – Disaggregated Data on the allowances for loan and lease losses
 - Part I – Disaggregated data on the allowances for loans and lease losses
 - Part II – Disaggregated data on allowances for credit losses

Call Report Schedules (031 and 041) (cont.)

- RI-D – Income from Foreign Offices (031 only)
- RI-E – Explanations
- RC – Balance Sheet
- RC-A – Cash and balance due from Depository Institutions
- RC-B – Securities
- RC-C – Loans and Financing Receivables
 - Part I – Loans and Leases
 - Part II - Loans to small businesses and small farms

Call Report Schedules (031 and 041) (cont.)

- RC-D – Trading Assets and Liabilities
- RC-E – Deposit Liabilities
- RC-F – Other Assets
- RC-G – Other Liabilities
- RC-H – Selected Balance Sheet items for Domestic Offices (031 only)
- RC-I – Assets and Liabilities of IBFs (031 only)
- RC-K – Quarterly Averages
- RC-L – Derivatives and Off-Balance sheet items

Call Report Schedules (031 and 041) (cont.)

- RC-M – Memoranda
- RC-N – Past Due and Non-accrued Loans, Leases, and other Leases
- RC-O – Other Data for Deposit Insurance Assessments
- RC-P – I-4 Family Residential Mortgage Banking activities
- RC-Q – Assets and Liabilities measured at fair value on a recurring basis
- RC-R – Regulatory Capital
 - Part I – Regulatory Capital components and ratios
 - Part II – Risk-Weighted Assets

Call Report Schedules (031 and 041) (cont.)

- RC-S – Servicing, Securitization, and Asset Sales activities
- **RC-T – Fiduciary and Related Services**
- RC-V – Variable Interest Entities

Fiduciary and Related Services Schedule

- Beginning in December 2001, Schedule RC-T was added to the Bank's Call Report of Condition. Schedule RC-T includes information on Fiduciary and Related Services Income, as well as the Fiduciary Settlements, Surcharges, and Losses. Beginning March 2009 report data, all the information reported in Schedule RC-T for each bank is publicly available. **However, not all institutions are required to report data on fiduciary income, expenses and losses.**

Who Should File the Schedule RC-T?

- To determine which institution should file the Schedule RC-T, the following three questions need to be answered:
 - Has your institution been granted trust powers to administer accounts in a fiduciary capacity by:
 - OCC (12 U.S.C. 92a) or,
 - FDIC (Section 333.2 and 333.01) or,
 - FRB (Regulation H)

Fiduciary Capacity generally means trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, custodian under uniform gifts to minor act, investment adviser, any capacity in which the institution possesses investment discretion or any other similar capacity.

Who Should File the Schedule RC-T? (cont.)

- Does the institution exercise the fiduciary powers?
- Does the institution have fiduciary or related activity to report?

Reportable activities include those that do not require trust powers but are incidental to fiduciary services (i.e., Custodial services).

EXCLUDE the following: Custodial and escrow activities related to commercial bank services such as Hold-in custody, Repurchase assets, Escrow assets held for the benefit of third parties, Safety deposit box assets, and any other similar commercial arrangement. Institutions limited to Land Trusts and/or Custodial activity for mortgage-backed securities SHOULD NOT report those activities in Schedule RC-T.

Filing Frequency and Content

- Institutions with total fiduciary and related services assets > \$250 MM OR with gross fiduciary and related services income greater than 10% of revenue in preceding calendar quarter must complete:
 - Items 4 through 22 on 041 or Items 4-22a on 031 quarterly
 - Items 23-26 with the December report
 - Memorandum item 3 quarterly
 - Memorandum Items 1,2, and 4 annually with the December report

Filing Frequency and Content (cont.)

- Institutions with total fiduciary and related services assets > \$100 MM but < \$250MM that do not meet the fiduciary income test for quarterly reporting must complete:
 - Items 4 through 26 annually with the December report
 - Memorandum Items 1 - 4 annually with the December report
- Institutions with total fiduciary assets of \$100MM or less that do not meet the fiduciary income test for quarterly reporting must complete:
 - Items 4-13 annually with the December report
 - Memorandum items 1-3 annually with the December report

Awareness Items

- Use market values for reporting. If market value is not available, can use any reasonable method to establish value for reporting, provided the method used is consistent.
- Only accounts offered through a fiduciary business unit should be reported.
- If two institutions are named co-fiduciary in the governing instrument, both should report.
- Exclude unfunded insurance trusts, testamentary executor appointments, and any potential future fiduciary appointments.
- Asset values should exclude liabilities. However, overdrafts should be netted against gross fiduciary assets.

Awareness Items (cont.)

- Derivatives should be included in gross even if fair value is negative.
- Securities borrowing/lending should be reflected as sales or as secured borrowing. Securities on loan are assets but collateral received should not be reported as an asset.
- Market value of Collective Investment Funds (CIF) units in accounts should be reported. The CIF should not be reported as a separate account.

Schedule RC-T Items 4-13

- Considerations:
 - Column A = Managed Accounts/Managed Assets
 - Managed = Investment Discretion
 - Discretion = Sole or Shared
 - Column B = Non-Managed Accounts/Non-Managed Assets
 - Non-Managed = No Investment Discretion
 - Advisory Only = Non-Managed
- An entire account should be reported as either managed or non-managed based on the predominant responsibility of the reporting institution.

Schedule RC-T Items 4 -13 (cont.)

- Items 4-13 require number of accounts and the market value of those accounts- for Managed and Non-Managed major account types as identified.
 - Item 4 – Personal Trust and Agency Accounts
 - INCLUDE Testamentary trusts, Revocable and Irrevocable living trusts, other personal trusts and non-managed personal agency accounts. EXCLUDE Personal Investment Management and Investment Advisory Agency accounts (record in Item 7). Keogh Plan accounts, IRAs, HSAs, and other pension or profit-sharing plans for self-employed individuals should be recorded in Item 5. Personal accounts solely for Custody or Safekeeping should be recorded in Item 11.

Schedule RC-T Items 4 -13 (cont.)

- Item 5 - Employee Benefit and Retirement-related Trust and Agency Accounts
 - Item 5a – Employee Benefit – Defined Contribution
 - INCLUDE the market value and number of accounts for all employee benefit defined contribution accounts in which the institution serves as either trustee or agent, such as 401(k) plans, 403(b) plans, profit-sharing plans, money purchase plans, target benefit plans, stock bonus plans, employee stock ownership plans, and thrift savings plans. Directed Trustee accounts should be treated as non-managed. Report at account level and not at the participant level. Custody-only and safekeeping accounts should be recorded in Item 11.
 - Item 5b – Employee Benefit – Defined Benefit
 - INCLUDE the market value and number of accounts for all employee benefit defined benefit accounts in which the institution serves as either trustee or agent. Directed Trustee accounts should be treated as non-managed. Report at account level and not at the participant level. Custody-only and safekeeping accounts should be recorded in Item 11.

Schedule RC-T Items 4 -13 (cont.)

- Item 5c – Other Employee Benefit and Retirement-related Accounts
 - INCLUDE the market value and number of accounts for all other employee benefit and retirement-related fiduciary accounts in which the institution serves as trustee or agent such as, Keogh Plan accounts, Individual Retirement Accounts, Health Savings Accounts, Medical Savings Accounts, and other pension or profit-sharing plans for self-employed individuals. Also report the market value of assets and the number of accounts for employee welfare benefit trusts and agencies. **Employee welfare benefit plans include plans, funds, or programs that provide medical, surgical, or hospital care benefits; benefits in the event of sickness, accident, disability, death, or unemployment; vacation benefits; apprenticeship or other training programs; day care centers; scholarship funds; or prepaid legal services.** Employee benefit accounts for which the institution serves as a directed trustee should be treated as non-managed. **Exclude accounts, originated by fiduciary or non-fiduciary personnel, that are only permitted to be invested in own-bank deposits.** The number of accounts included should reflect the total number of plans or accounts administered rather than the number of plan participants. Other retirement accounts that are solely custody and safekeeping accounts should be recorded in Item 11. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts should also be recorded in Item 13.

Schedule RC-T Items 4 -13 (cont.)

- Item 6 – Corporate Trust and Agency Accounts
 - INCLUDE the market value of assets held by the institution for all corporate trust and agency accounts. Record assets that are the responsibility of the institution to manage or administer in accordance with the corporate trust agreement. Include assets relating to unrepresented bonds or coupons relating to issues that have been called or matured. Do NOT report the entire market value of the associated securities or the outstanding principal of associated debt issues. Include accounts for which the institution is trustee for corporate securities, tax-exempt and other municipal securities, and other debt securities including unit investment trusts. Also include accounts for which the institution is dividend or interest paying agent, and any other type of corporate trustee or agent appointment. Accounts that are solely custodial or safekeeping should be recorded in Item 11.

Schedule RC-T Items 4 -13 (cont.)

- Item 7 – Investment Management and Investment Advisory Agency Accounts
 - INCLUDE the market value and number of accounts for all individual and institutional investment management and investment advisory agency accounts that are administered within the fiduciary area of the institution. Investment management accounts are those agency accounts for which the institution has investment discretion; however, title to the assets remains with the client. Include accounts for which the institution serves as a sub-advisor. Investment advisory accounts are those agency accounts for which the institution provides investment advice for a fee, but for which some other person is responsible for investment decisions. Investment management agency accounts should be recorded as managed. Investment advisory agency accounts should be recorded as non-managed. Investment management and investment advisory agency accounts maintained for foundations and endowments should be recorded in Item 8. **EXCLUDE investment management and investment advisory agency accounts that are administered in SEC-registered investment advisory subsidiaries of the bank.** Include those mutual funds that are advised by the fiduciary area that is a separately identifiable department or division (as defined in Section 217 of the Gramm-Leach-Bliley Act). Classes of the same mutual fund should be combined and reported as a single account.

Schedule RC-T Items 4 -13 (cont.)

- Item 8 – Foundations and Endowment Trust and Agency Accounts
 - INCLUDE the market value and number of accounts for all foundations and endowments (**whether established by individuals, families, corporations, or other entities**) that file any version of Form 990 with the Internal Revenue Service and for which the institution serves as either trustee or agent. **Also include those foundations and endowments that do not file Form 990, 990EZ, or 990PF solely because the organization's gross receipts or total assets fall below reporting threshold, but would otherwise be required to file.** Foundations and endowments established by churches, which are exempt from filing Form 990, should also be included in this item. Employee benefit accounts maintained for foundations or endowments employees should be reported in Schedule RC-T, item 5. Accounts that are solely custodial or safekeeping should be recorded in item 11.

Schedule RC-T Items 4 -13 (cont.)

- Item 9 – Other **Fiduciary** Accounts
 - INCLUDE the market value and number of accounts for all other trusts and agencies not reported in Schedule RC-T, items 4 through 8. Custody and safekeeping accounts should be recorded in RC-T, item 11.
- Item 10 – Total Fiduciary Accounts
 - INCLUDE the sum of Items 4 through 9.
- Item 11 – Custody and Safekeeping Accounts
 - INCLUDE custodian accounts that are incidental to fiduciary services. Include only those custody and safekeeping accounts that are administered by the Trust department and any other identifiable business unit that **focuses on offering fiduciary related** custodial services to institutional clients. Exclude hold-in custody repurchase assets, securities safekeeping services for Correspondent banks, escrow assets held

Schedule RC-T Items 4 -13 (cont.)

- for the benefit of third parties, safety deposit assets, and any other commercial arrangements.
- Item 12 – Fiduciary Accounts held in foreign offices
 - Applicable to banks filing the FFIEC Form 031 only. INCLUDE the market value and number of accounts included in Items 10 and 11, above that are attributable to accounts held in foreign offices.
- Item 13 – Individual Retirement Accounts, Health Savings Accounts, and other similar Accounts (already included in Item 5c and Item 11)
 - INCLUDE the market value and number of Individual Retirement Accounts, Health Savings Accounts, and other similar accounts included in Schedule RC-T, items 5.c and 11. Other similar accounts include Roth IRAs, Coverdell Education Savings Accounts, and Archer Medical Savings Accounts. **Exclude Keogh Plan accounts.**

Fiduciary and Related Services Income

- Income and Expenses should be reported on an Accrual basis
- May report on Cash basis if results are not materially different from Accrual basis
- Income categories correspond to the **fiduciary asset categories** described in Items 4 through 11
- Beginning with the March 31, 2009, report date, all the information reported in Schedule RC-T for each bank is publicly available
- Item 14 – Personal Trust and Agency Accounts
- Item 15 – Employee Benefit and Retirement-related Trust and Agency Accounts

Fiduciary and Related Services Income (cont.)

- Item 15.a – Employee Benefit – Defined Contribution
- Item 15.b – Employee Benefit – Defined Benefit
- Item 15.c – Other Employee Benefit and Retirement-related Accounts
- Item 16 – Corporate Trust and Agency Accounts
- Item 17 – Investment Management and Investment Advisory Agency Accounts
- Item 18 – Foundation and Endowment Trust and Agency Accounts
- Item 19 – Other Fiduciary Accounts
- Item 20 - Custody and Safekeeping Accounts
- Item 21 – Other Fiduciary and related Services Income

Fiduciary and Related Services Income (cont.)

- INCLUDE all other **gross** fiduciary related income that cannot properly be reported in Schedule RC-T, items 14 through item 20. Include income received from others (including affiliates) for fiduciary and related services provided by the institution. Income received from investment advisory services in which the account assets are held in a custody or safekeeping account at the reporting institution should be reported in item 17 of this schedule. Also include **net income** generated from securities lending activities (i.e., after broker rebates and income paid to lending accounts). Include income from custodial activities for land trusts and mortgage-backed securities. Exclude allocations of income to the trust department from other areas of the institution such as credits for fiduciary cash held as a deposit in the commercial bank.
- Item 22 – Total Gross Fiduciary and related Services Income
 - INCLUDE the sum of items 14 through 21. **This item must equal Schedule RI, item 5.a, “Income from fiduciary activities.”**
- Item 22.a – Fiduciary and related Services Income (Foreign Offices)
 - INCLUDE the total amount of fiduciary and related services income included in Schedule RC-T, item 22, above that is **attributable to fiduciary accounts** held in foreign offices.

Fiduciary and Related Services Income and Expenses(cont.)

- Item 23 – Less: Expenses
 - INCLUDE total direct and indirect expenses attributable to the fiduciary and related services reported in this schedule. Include salaries, wages, bonuses, incentive pay, and **employee benefits for employees** assigned to reportable activities. If only a portion of their time is allocated to reportable activities, report that proportional share of their salaries and employee benefits. Include direct expenses related to the use of premises, furniture, fixtures, and equipment, **as well as depreciation/amortization, ordinary repairs and maintenance, service or maintenance contracts, utilities, lease or rental payments, insurance coverage, and real estate and other property taxes if they are directly chargeable to the reportable activities.** Income taxes attributable to reportable activity earnings should not be included. Also **exclude settlements, surcharges, and other losses, which are to be reported in Schedule RC-T, item 24.** Include indirect expenses charged to the department or function offering reportable activities by other departments or functions of the institution as reflected in the institution's internal management accounting system. Include proportional shares of corporate expenses that cannot be directly charged to particular departments or functions. Examples of indirect expenses include such items as audit and examination fees, marketing, charitable contributions, customer parking, holding company overhead, proportional share of building rent or depreciation, utilities, real estate taxes, insurance, human resources, corporate planning, and corporate financial staff. Reporting methods for indirect expenses should remain consistent from period to period.

Fiduciary and Related Services Net Losses(cont.)

- Item 24 – Less: Net Losses from Fiduciary and Related Services
 - INCLUDE net losses resulting from fiduciary and related services. **Net losses are gross losses less recoveries.** Gross losses include settlements, surcharges, and other losses that are realized in the reporting period attributable to the fiduciary and related services. **Recoveries should include those that are attributable to prior and current period losses. This item must equal Schedule RC-T, Memorandum item 4.e, sum of columns A and B minus column C.**
- Item 25 - Intracompany Income Credits for Fiduciary and Related Services
 - INCLUDE credits from other areas of the institution for activities reportable in this schedule. Include intracompany income credit made available to the fiduciary area for fiduciary account holdings of own-bank deposits. **Also include credits for other intracompany services and transactions.**
- Item 26 – Net Fiduciary and Related Services Income
 - INCLUDE the total from item 22 **less** the amounts reported in item 23 and item 24 **plus** the amount reported in item 25.

Memoranda Items

- Mem Item 1 – Managed Assets Held in Fiduciary Accounts
 - **Column A**, Personal Trust and Agency and Investment Management Agency Accounts: Report the market value of managed assets held in (a) personal trust and agency accounts as defined for item 4 of this schedule and (b) investment management agency accounts as defined for item 7 of this schedule. **Column B**, Employee Benefit and Retirement-Related Trust and Agency Accounts: Report the market value of managed assets held in employee benefit and retirement-related trust and agency accounts as defined for items 5.a, 5.b, and 5.c of this schedule. **Column C**, All Other Accounts: Report the market value of managed assets held in (a) corporate trust and agency accounts as defined for item 6 of this schedule, (b) foundation and endowment trust and agency accounts as defined for item 8 of this schedule, and (c) other fiduciary accounts as defined for item 9 of this schedule. Report in the appropriate column and in the appropriate subitem the market value of all managed assets held in the fiduciary accounts included in Schedule RC-T, items 4 through 9, column A. For units in common trust funds and collective investment funds that are held by a managed fiduciary account, report the market value of the units in Schedule RC-T.

Memoranda Items (cont.)

Memorandum item 1.h. Do not allocate the underlying assets of each common trust fund and collective investment fund attributable to managed accounts to the individual subitems for the various types of assets reported in Schedule RC-T, Memorandum item 1. Securities held in fiduciary accounts that are "loaned" in securities lending transactions (that are accounted for as secured borrowings) should be reported as an asset of the fiduciary account that "loaned" the securities, but the "collateral" received should not also be reported as an asset of this fiduciary account.

➤ 1.a – Noninterest-bearing deposits

➤ INCLUDE all noninterest-bearing deposits. Include noninterest-bearing deposits of both principal and income cash.

Memoranda Items (cont.)

- 1.b – Interest-bearing deposits
 - INCLUDE all interest-bearing savings and time deposits. Include NOW accounts, MMDA accounts, "BICs" (bank investment contracts) that are insured by the FDIC, and certificates of deposit. include interest-bearing deposits of both principal and income cash.
- 1.c – U.S. Treasury and U.S. Government Agency Obligations
 - INCLUDE all securities of and/or loans to the U.S. Government and U.S. Government corporations and agencies. Include certificates or other obligations, however named, that represent pass-through participations in pools of real estate loans when the participation instruments: (1) are issued by FHA approved mortgagees and guaranteed by the Government National Mortgage Association, or (2) are issued, insured, or guaranteed by a U.S. Government agency or corporation (e.g., the Federal Home Loan Mortgage Corporation's Mortgage Participation Certificates). Collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs) issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be included.

Memoranda Items (cont.)

- 1. d – State, County and Municipal Obligations
 - INCLUDE all short- and long-term obligations of state and local governments, and political subdivisions of the United States. Include obligations of U.S. territories and insular possessions and their political subdivisions and all Federal income tax-exempt obligations of authorities such as local housing and industrial development authorities that derive their tax-exempt status from relationships with State or local governments. **Tax-exempt money market mutual funds should be reported with money market mutual funds in Schedule RC-T, Memorandum item 1.e.**
- 1. e – Money Market Mutual Funds
 - INCLUDE all holdings of mutual funds registered under the Investment Company Act of 1940 that attempt to maintain net asset values at \$1.00 per share. Include taxable and tax-exempt money market mutual funds. Exclude short-term collective investment funds.

Memoranda Items (cont.)

- 1. f - Equity Mutual Funds
 - INCLUDE all holdings of mutual funds registered under the Investment Company Act of 1940, exchange traded funds (ETFs), and unit investment trusts (UITs) **that invest primarily** in equity securities. For purposes of Memorandum item 1, institutions should categorize these investments on the basis of either the **fund's investment objective** as stated in its prospectus or the **fund's classification by a company** that tracks information on these funds such as Morningstar and Lipper. An institution's methodology for categorizing mutual fund, ETF, and UIT investments should be consistently applied.
- 1. g – Other Mutual Funds
 - INCLUDE all holdings of all other mutual funds registered under the Investment Company Act of 1940, ETFs, and UITs. For purposes of Memorandum item 1, institutions should categorize these investments on the basis of either the fund's investment objective as stated in its prospectus or the fund's classification by a company that tracks information on these funds such as Morningstar and Lipper. An institution's methodology for categorizing mutual fund, ETF, and UIT investments should be consistently applied.

Memoranda Items (cont.)

- 1. h – Common Trust Funds and Collective Investment Funds
 - INCLUDE all holdings of all common trust funds and collective investment funds. Common trust funds and collective investment funds are funds that banks are authorized to administer by Section 9.18 of the Office of the Comptroller of the Currency's regulations or comparable state regulations.
- 1. i - Other Short-term Obligations
 - INCLUDE all other short-term obligations (i.e., original maturities of less than 1 year, or 13 months in the case of the time portion of master notes). In addition to short-term notes, include in this item such money market instruments as master note arrangements, commercial paper, bankers acceptances, securities repurchase agreements, and other short-term liquidity investments. Exclude state, county, and municipal obligations.

Memoranda Items (cont.)

- 1. j – Other Notes and Bonds
 - INCLUDE all other bonds, notes (except personal notes), and debentures. Include corporate debt, insurance annuity contracts, "GICs" (guaranteed investment contracts), "BICs" (bank investment contracts) that are not insured by the FDIC, and obligations of foreign governments. Also include certificates or other obligations, however named, representing pass-through participations in pools of real estate loans when the participation instruments are issued by financial institutions and guaranteed in whole or in part by private guarantors. Collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs) that are not issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be reported here, even if the collateral consists of GNMA ("Ginnie Mae") or FNMA pass-throughs or FHLMC participation certificates. Exclude short-term obligations (which should be reported in Schedule RC-T, Memorandum item 1.i, above).

Memoranda Items (cont.)

- 1. k - Investments in Unregistered Funds and Private Equity Investments
 - INCLUDE all holdings of funds exempt from registration under Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, for example, “hedge funds.” Report all holdings of private equity investments exempt from registration under Securities Act of 1933 Regulation D. Private equity investments is an asset class consisting of purchased equity securities in operating companies that are not publicly traded on a stock exchange or otherwise registered with the SEC under federal securities laws. Private equity-related funds are funds that invest primarily in private equity investments. **Unregistered private equity funds should be reported in this item. Investments in family businesses that are associated with the grantors or beneficiaries of a fiduciary account should not be reported in this Memorandum item as a “private equity investment.”** Such investments may arise, for example, from an in-kind transfer to a fiduciary account of securities in a closely-held family business or an increase in a fiduciary account’s percentage ownership of an existing closely-held family business whose securities are held in the account. Such investments should be reported in Schedule RC-T, Memorandum item 1.o, “Miscellaneous assets.”

Memoranda Items (cont.)

- 1. l – Other Common and Preferred Stocks
 - INCLUDE all holdings of domestic and foreign common and preferred equities, **including warrants and options**, but excluding investments in unregistered funds and private equity investments (which should be reported in Schedule RC-T, Memorandum item 1.k, above).
- 1. m – Real Estate Mortgages
 - INCLUDE real estate mortgages, real estate contracts, land trust certificates, and ground rents. These assets may be reported at their unpaid balance if that figure is a fair approximation of market value.
- 1. n – Real Estate
 - INCLUDE real estate, mineral interests, royalty interests, leaseholds, and other similar assets. Land and buildings associated with farm management accounts should be reported in this item. **Also include investments in limited partnerships that are solely or primarily invested in real estate.**

Memoranda Items (cont.)

- 1. o – Miscellaneous Assets
 - INCLUDE personal notes, tangible personal property, and other miscellaneous assets that cannot properly be reported in Schedule RC-T, Memorandum items 1.a through 1.n, above. **Crops, equipment, and livestock associated with farm management accounts should be reported in this Memorandum item.** Also include investments in closely-held family businesses if such investments represent in-kind transfers to a fiduciary account of securities in a closely-held family business or an increase in a fiduciary account's percentage ownership of an existing closely-held family business whose securities are held in the account.
- 1. p – Total Managed Assets held in Fiduciary Accounts
 - INCLUDE the sum of Memorandum items 1.a. through 1.o. **The total reported in column A must equal the sum of Schedule RC-T, items 4 and 7, column A. The total reported in column B must equal the sum of Schedule RC-T, items 5.a, 5.b, and 5.c, column A. The total reported in column C must equal the sum of Schedule RC-T, items 6, 8, and 9, column A.**

Memoranda Items (cont.)

- 1. q – Investment in Managed Fiduciary Accounts in Advised or Sponsored Mutual Funds
 - INCLUDE in column A the market value of all managed fiduciary assets invested in mutual funds that are sponsored by the institution or a subsidiary or affiliate of the institution or where the institution or a subsidiary or affiliate of the institution serves as investment advisor to the fund. Report the number of managed fiduciary accounts with assets invested in advised or sponsored mutual funds in column B. The term "affiliate" means any company that controls, is controlled by, or is under common control with another company, as set forth in the Bank Holding Company Act of 1956.
- Mem Item 2 – Corporate Trust and Agency Accounts
 - 2. a – Corporate and Municipal Trusteeships
 - INCLUDE in column A the total number of corporate and municipal issues, including equities such as trust preferred securities, and asset-backed securities for which the institution serves as trustee. Also report other debt issues, such as unit investment trusts and private placement leases, for which the institution serves as trustee.

Memoranda Items (cont.)

Also include other debt issues, such as unit investment trusts and private placement leases, for which the institution serves as trustee. If more than one institution is trustee for an issue, each institution should report the issue. Securities with different CUSIP numbers should be considered separate issues; however, serial bond issues should be considered as a single issue. When an institution serves as trustee of a bond issue, it may also perform agency functions for the issue such as registrar (transfer agent) or interest and principal paying agent. In those cases, report the issue only in Memorandum item 2.a, “Corporate and municipal trusteeships,” as the trustee appointment is considered the primary function. Consider the primary function of the appointment when selecting the item in which to report the appointment. Exclude issues that have been called in their entirety or have matured even if there are unrepresented bonds or coupons for which funds are being held. Include in column B the unpaid principal balance of the outstanding securities for the issues reported in column A for which the institution serves as trustee. For zero coupon bonds, report the final maturity amount. For trust preferred securities, include the redemption price. Exclude assets (i.e., cash, deposits, and investments) that are being held for corporate trust purposes; they should be included in Schedule RC-T, item 6, above.

Memoranda Items (cont.)

- Item 2 a.(1) – Issues included in Memorandum 2.a that are in Default
- INCLUDE the total number and unpaid principal balance (**final maturity amount for zero coupon bonds; redemption price for trust preferred securities**) of the issues reported in Schedule RC-T, Memorandum item 2.a, above, that are in **substantive default**. A substantive default occurs when the issuer (a) fails to make a required payment of principal or interest, defaults on a required payment into a sinking fund, files for bankruptcy, or is declared bankrupt or insolvent, **and** (b) default has been declared by the trustee. Issues should not be reported as being in substantive default during a cure period, provided the indenture for the issue provides for a cure period. Private placement leases where the trustee is required to delay or waive the declaration of an event of default, unless requested in writing to make such declaration, should not be reported as being in substantive default, provided such written request has not been made. **Once a trustee's duties with respect to an issue in substantive default have been completed, the issue should no longer be reported as being in default.** Do not include issues that are in technical default, for instance, if the obligor failed to provide information or documentation to the trustee within specified time periods.

Memoranda Items (cont.)

- Item 2.b – Transfer Agent, Registrar, Paying Agent, and other corporate agency
- INCLUDE in column A the total number of issues for which the institution acts in a corporate agency capacity. Include the total number of equity, debt, and mutual fund issues for which the institution acts as transfer agent or registrar, regardless of whether the transfer agent is registered with its appropriate regulatory agency. Separate classes of a mutual fund should be consolidated and reflected as a single issue. Include the total number of stock or bond issues for which the institution disburses dividend or interest payments. Also include the total number of issues of any other corporate appointments that are performed by the institution through its fiduciary capacity. Issues for which the institution serves in a dual capacity should be reported once. Corporate and municipal trusteeships reported in Schedule RC-T, Memorandum item 2.a, above, in which the institution also serves as transfer agent, registrar, paying agent, or other corporate agency capacity should not be included in Memorandum item 2.b. Include only those agency appointments that do not relate to issues reported in Schedule RC-T, Memorandum item 2.a, above.

Memoranda Items (cont.)

- Item 3 – Collective Investment Funds and Common Trust Funds
 - INCLUDE in the appropriate subitem the number of funds and the market value of the assets held in Collective Investment Funds (CIFs) and Common Trust Funds (CTFs) administered by the reporting institution. CIFs and CTFs are funds that banks are authorized to administer by Section 9.18 of the Office of the Comptroller of the Currency’s regulations or comparable state regulations. If an institution operates a CIF that is used by more than one institution, the entire CIF should be reported in this section only by the institution that operates the CIF. Exclude mutual funds from this section. Each CIF and CTF should be included in the subitem that best fits the fund type.
- Item 3.a – Domestic Equity
 - INCLUDE funds investing primarily in U.S. equities. Include funds seeking growth, income, growth and income; U.S. index funds; and funds concentrating on small, mid, or large cap domestic stocks. Exclude funds specializing in a particular sector (e.g., technology, health care, financial, and real estate), which should be included in Schedule RC-T, Memorandum item 3.g, “Specialty/Other.”
- Item 3.b – International/Global Equity
 - INCLUDE funds investing exclusively in equities of issuers located outside the U.S. and those funds representing a combination of U.S. and foreign issuers. Include funds that specialize in a particular country, region, or emerging market.

Memoranda Items (cont.)

- Item 3.c - Stock/Bond Blend
 - INCLUDE funds investing in a combination of equity and bond investments. Include funds with a fixed allocation along with those having the flexibility to shift assets between stocks, bonds, and cash.
- Item 3.d – Taxable Bond
 - INCLUDE funds investing in taxable debt securities. Include funds that specialize in U.S. Treasury and U.S. Government agency debt, investment grade corporate bonds, high-yield debt securities, mortgage-related securities, and global, international, and emerging market debt funds. Exclude funds that invest in municipal bonds, which should be included in Schedule RC-T, Memorandum item 3.e, and funds that qualify as short-term investments, which should be included in Schedule RC-T, Memorandum item 3.f.
- Item 3.e – Municipal Bonds
 - INCLUDE funds investing in debt securities issued by states and political subdivisions in the U.S. Such securities may be taxable or tax-exempt. Include funds that invest in municipal debt issues from a single state. Exclude funds that qualify as short-term investments, which should be included in Schedule RC-T, Memorandum item 3.f.

Memoranda Items (cont.)

- Item 3.f – Short-Term Investments/Money Market
 - INCLUDE funds subject to the provisions of **Section 9.18(b)(4)(iii)(B)** of the Office of the Comptroller of the Currency’s regulations or comparable state regulations that invest in short-term money market instruments. Money market instruments may include U.S. Treasury bills, commercial paper, bankers acceptances, and repurchase agreements. Include taxable and nontaxable funds.
- Item 3.g – Specialty/Other
 - INCLUDE funds that specialize in equity securities of particular sectors (e.g., technology, health care, financial, and real estate). Also include funds that do not fit into any of the above categories.
- Item 3.h – Total Collective Investment Funds
 - INCLUDE the sum of Memorandum items 3.a. through 3.g.

Memoranda Items (cont.)

- Item 4 – Fiduciary Settlements, Surcharges and Other Losses
 - INCLUDE aggregate gross settlements, surcharges, and other losses arising from errors, misfeasance, or malfeasance on managed accounts in column A and on non-managed accounts in column B. For the definitions of managed and non-managed accounts, refer to the instructions for the Fiduciary and Related Assets section of this schedule. Gross losses should reflect losses recognized on an accrual basis before recoveries or insurance payments. Exclude contingent liabilities for fiduciary-related loss contingencies, including pending or threatened litigation, for which a loss has not yet been recognized in accordance with ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5, “Accounting for Contingencies”). Report recoveries in column C. **Recoveries may be for current or prior years’ losses and should be reported when payment is actually realized. The filing of an insurance claim does not serve as support for a recovery.** For report dates through December 31, 2008, the information reported on fiduciary settlements, surcharges, and other losses will not be made available to the public on an individual institution basis. Beginning with the March 31, 2009, report date, all of the information reported in Schedule RC-T for each bank will be publicly available.
- Item 4.a – Personal Trust and Agency Accounts
 - INCLUDE gross losses and recoveries for personal trust and agency accounts as defined for item 4 of this schedule.

Memoranda Items (cont.)

- Item 4.b – Employee Benefit and Retirement-related Trust and Agency Accounts
 - INCLUDE gross losses and recoveries for employee benefit and retirement-related trust and agency accounts as defined for item 5 of this schedule.
- Item 4.c – Investment Management and Investment Advisory Agency Accounts
 - INCLUDE gross losses and recoveries for investment management and investment advisory agency accounts as defined for item 7 of this schedule.
- Item 4.d – Other Fiduciary Accounts and related Services
 - INCLUDE gross losses and recoveries for all other fiduciary accounts and related services that are not included in Schedule RC-T, Memorandum items 4.a, 4.b, and 4.c, above. Include losses and recoveries from corporate trust and agency accounts, foundation and endowment trust and agency accounts, other fiduciary accounts, custody and safekeeping accounts, and other fiduciary related services.
- Item 4.e – Total Fiduciary Surcharges, Settlements and Other Losses
 - INCLUDE the sum of Memorandum items 4.a through 4.d. **The sum of columns A and B minus column C must equal Schedule RC-T, item 24, above.**

Potential Trust Regulatory Reports Which Need Filing

- Financial institution with Trust business may need to file more than 100 separate regulatory reports to the government agencies
- A listing of all federal reporting requirements for Trust institutions has been published in ABA's Guide to Trust institutions Federal Filings and is available for a fee
- Federal Agencies requiring Report submissions:
 - FFIEC
 - Schedule RC-T
 - FRB
 - TA-1

Potential Trust Regulatory Reports (cont.)

- TA-2
- TA-W
- Notice of non-compliance with TA Turnaround requirements
- Form S
- Reg D Overdrafts
- FDIC
 - TA reports noted above
- OCC
 - TA reports noted above

Potential Trust Regulatory Reports (cont.)

- Short-Term Investment Funds Reporting Requirements
- SEC
 - Forms
 - 13 D
 - 13 F
 - 13 G
 - 144 +
 - 11-K
 - TA-1

Potential Trust Regulatory Reports (cont.)

- TA-2
- TA-W
- Turnaround reporting
- 3, 4, and 5
- SIC
 - Form 17f-1
- DOL
- IRS
- FINRA – TRACE Reporting

Potential Trust Regulatory Reports (cont.)

- State-level
 - Escheatment
 - Pledge
 - Call reports

Source and Reference Links

- [**FFIEC 041 December 2022 Reporting Form**](#) - Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only
- [**FFIEC 051 December 2022 Reporting Form**](#) - Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less than \$5 Billion
- [**FFIEC 031 December 2022 Reporting Form**](#) - Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices
- [**Instructions for Form 031 and 041 \(ffiec.gov\)**](#) – Includes instructions for the Schedule RC-T
- [**FFIEC051_201709_i.pdf**](#) - Instructions for Form 051
- Various FFIEC and FDIC guidances

Thank you

Satish.Pattegar@wellsfargo.com