

**COMMISSIONER OF FINANCIAL INSTITUTIONS
INTERNATIONAL BANKING and INTERNATIONAL FINANCIAL ENTITIES
GENERAL INSTRUCTIONS**

Submission of Quarterly Reports:

REPORT ALL CONSOLIDATED ASSETS, INCOME AND EXPENSES of the entity.

Each authorized entity must file the required reports 30 days after the end of each quarter. For technical assistance with submissions, please contact the Commissioner's office by telephone at (787) 723-3131, Extension 2005

Required Reports instructions: **Page**

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Principal Reports

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**COMMISSIONER OF FINANCIAL INSTITUTIONS
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GENERAL INSTRUCTIONS**

INTRODUCTION:

The following report instructions are applicable to reports prepared by **INTERNATIONAL BANKING ENTITIES (IBE)** and by **INTERNATIONAL FINANCIAL ENTITIES (IFE)** operating under

- Act Number 121 of 11 agosto, 1989 (“Act.52”) and
- Act Number 273 of September 25, 2012, (“Act.273”), respectively, as amended.

Regulations: Require the submission of a Report in the form approved by the Commissioner of Financial Institutions. Refer to the following regulations for details.

- Regulation 5653 applicable to IBE’s and
- Regulation 5653 applicable to IFE’s,

NOTE: Unless the instructions indicates otherwise, the term **“Entity”** or **“Entities”** in these instructions is applicable to IBE’s and IFE’s.

RESPONSIBILITY:

The entities board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the preparation of the required Reports. The Reports are to be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the instructions provided in this document. The Reports must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested and dated by CFO (or equivalent) of the named bank and those other Officials as required in the Report form.

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Instructions for Schedules

Line Item Description and instruction

CONSOLIDATED BALANCE SHEET

IBE / IFE 1 ASSETS

Line 1. Cash and due from depository institutions, items in process of collection, unposted debits, and currency and coins.

Line 1.a. Cash and non-interest bearing (the amount is transferred and posted here from Schedule A, line item 1.d. Total cash and other non-interest bearing balances from depository institution.)

Cash are bills, coins, money orders, and checks on hand and in bank regular checking or savings accounts. A cash equivalent is a highly liquid investment having a maturity of three months or less.

Examples of cash equivalents are money market funds and treasury bills. Cash in escrow accounts and restricted cash balances are company's funds that are required to be deposited by Law or by contract with a third party for specific purpose.

Includes deposits in GDB, EDB, any IFE, IBE, or in any bank, including banks organized under the laws of PR, and branches in PR of banks that are foreign.

Report in the appropriate line item in Schedule A the aggregate amount of all cash and cash equivalents. Refer to Schedule A and instructions in relation to the three categories of cash and cash equivalents.

Information from Schedule A, will be transferred and posted to Schedule IBE-1 or to IFE-1, Balance Sheet lines 1.a., 1.b., and 1.c.

Line 1.b. Deposits, money market investments, and other interest bearing balances (the amount is transferred and posted here from Schedule A, line item 2.e. Total deposits, money market investments, and other interest bearing balances due from other depository institutions.)

Line 1.c. Total cash and due from depository institutions:

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Line Item Description and instruction

IBE / IFE 1 ASSETS - Continued

Line 2. Securities:
Refer to Schedule B and instructions in relation to the information to be provided.

Information from Schedule B, will be transferred and posted to Schedule IBE-1 or to IFE-1, Balance Sheet lines 2.a., and 2.b.

Line 2.a. Securities available for sale, at fair market (the amount is transferred and posted here from Schedule B, line 8, Column D.)

Line 2.b. Securities held to maturity, at amortized cost (the amount is transferred and posted here from Schedule B, line 8, Column A.)

Line 2.c. Total securities
Report in this line the total of line items 2.a., and 2.b.

Line 3.a. Securities purchased under agreement to resell with parent and or related companies.
Report the amount of the reporting entity's funds invested in securities purchased under agreements to resell with parent and or related companies.

The term related companies includes subsidiaries that have not been consolidated; affiliates (associated companies); corporate joint ventures, unincorporated joint ventures, and general partnerships over which the bank exercises significant influence; and non-controlling investments in certain limited partnerships and limited liability companies accounted for by the "equity method of accounting".

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Line Item Description and instruction

IBE / IFE 1 ASSETS - Continued

Line 3.b. Securities purchased under agreement to resell with others
Report the amount of the reporting entity's funds invested in securities purchased under agreements to resell with others. This includes federal funds sold. The term "Others" means with third parties unrelated to the reporting entity.

Report

- Securities resale agreements, regardless of maturity, if the agreement requires the bank to resell the identical security purchased or a security that meets the definition of substantially the same in the case of a dollar roll.
- Purchases of participations in pools of securities, regardless of maturity.

This includes the outstanding amount of federal fund sold, i.e., immediately available funds lent (in domestic offices) under agreements or contracts that have an original maturity of one business day or roll over under a continuing contract.

Report federal funds sold on a gross basis; i.e., do not net them against federal funds purchased, except to the extent permitted under ASC Subtopic 210-20, Balance Sheet- Offsetting (formerly FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts"). Include the fair value of federal funds sold that are accounted for at fair value under a fair value option.

IBE / IFE 1 ASSETS - Continued

Line 4. Loans and leases
Information from Schedule C-1, will be transferred and posted to Schedule IBE-1 or to IFE-1, Balance Sheet lines 4.a., 4.b., 4.c., and 4.e.

Line 4.a. Total loans and leases, (excluding loans held for sale). (the amount is transferred and posted here from Schedule C, Part I, line 1.a.)

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Line Item Description and instruction

Line 4.b. Total loans and leases held for sale (the amount is transferred and posted here from Schedule C-1, Part I, line 1.e. “loans and leases (at the lower of cost or market)” and those elected to be accounted for at fair value.)

Line 4.c. Less: Allowance for loan and lease losses (the amount is transferred and posted here from Schedule C-1, Part I, line 1.c.). The allowance for loan and lease losses, is a valuation reserve established and maintained by charges against the entity’s operating income. As a valuation reserve, it is an estimate of uncollectible amounts that is used to reduce the book value of loans and leases to the amount that is expected to be collected.

Line 4.d. Subtotal loans and leases net of Allowance for loan and lease losses
Report in this line the total of line items 4.a., 4.b. and 4.c.

Line 4.e. Unearned income on loans and leases (the amount is transferred and posted here from Schedule C-1, Part I, line 1.b.). Represents interest that has been collected by the entity but has not yet been counted as income (or earnings). Instead, it is initially recorded as a liability and may include any other amounts related to loans held for sale, if segregated.

Line 4.f. Net Loans and leases (net of allowance for losses and unearned income). Report in this line the total of line items 4.d., less the amount entered on 4.e.
This amount will be in agreement with the amount entered in Schedule C-1, Part I, Line 1.f.

IBE / IFE 1 ASSETS - Continued

Line 5. Accrued interest receivable
The term is defined as the interest earned but not collected on mortgages notes, or other secured or unsecured notes or other similar debt instruments, on investments and on cash and equivalents accounts.

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Line Item Description and instruction
Report the amount of interest earned or accrued from investments, loans or on other earning assets and applicable to current or prior periods that has not yet been collected.

Line 6. Due from Home office account, loans to parent and related parties.

Report the aggregate total amount due from resulting from operating transactions such as, loans (borrowings for the entity) and other amounts disbursed for expenses incurred on behalf of the home office, parent company, and related parties/affiliates as of the reporting date. If the amount represents more than 10% of the total assets disclose details on Schedule-E-1, line 1.

This account is debited (increased) by cash sent, services rendered, debts incurred or other assets transferred to Home office-“Parent Company” or to affiliated or related parties of the reporting entity.

This account is credited (decreased) by cash amounts received as loans, services rendered, debts incurred or other assets received from Home office-“Parent Company”, or affiliated or related parties of the reporting entity.

If the reporting entity is a Branch operation, do not include amounts, made by the home office in the branch representing the permanent capital investment and or classified as permanent initial equity. Report the initial equity investment in Schedule IBE/IFE-1, Balance Sheet, in the Home office equity account, line item 28.

IBE / IFE 1 ASSETS - Continued

Line 7. Other receivables

Report any other type of receivable that the institution has as of the reporting date. If the amount represents more than 10% of the total assets disclose details in Schedule-E-1, line item 2.

Line 8. Trading assets and Derivative assets

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Line Item Description and instruction

General:

Report the trading and derivatives assets with positive fair values. When an entity enters into a derivative contract, it should classify the derivative as either held for trading or held for purposes other than trading (end-user derivatives) based on the reasons for entering into the contract.

All derivatives must be reported at fair value on the balance sheet.

Trading derivatives with negative fair values should be reported as trading liabilities in line item 18.

Changes in the fair value (that are, gains and losses) of trading derivatives should be recognized currently in earnings included in Schedule IBE/IFE-2, Income Statement, line item 4.d.2. "Trading revenue (expenses)".

Netting of derivative assets and liabilities is prohibited on the balance sheet except as permitted under ASC Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts").

Trading securities and other securities - i.e. Investment in preferred stock-at cost, and investments under the fair value option.

Report any other equity securities not included on Schedule B.

Exclude: Purchases of securities under agreements to resell. These must be reported in line items 3.a. and 3.b., above.

(Report details on IFE-3)

IBE / IFE 1 ASSETS - Continued

Line 9. Premises and fixed assets - Net of accumulated depreciation

Report in this line the amount invested in premises and fixed assets classified as "permanent assets held by the institution and used in the operations" as of the reporting date.

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Line Item **Description and instruction**
Report the original book value, less accumulated depreciation or amortization, of all premises, equipment, furniture and fixtures purchased directly or acquired by means of a capital lease. Any method of depreciation or amortization conforming to accounting principles that are generally acceptable for financial reporting purposes must be used. Depreciation for premises and fixed assets may be based on a method used for federal income tax purposes if the results would not be materially different from depreciation based on the asset's estimated useful life.

Do not deduct mortgages or other liens on such property (report in line 20. "Other borrowed money").

Include as premises and fixed assets:

- (1) Premises that are actually owned and occupied (or to be occupied, if under construction) by the bank, its branches, or its consolidated subsidiaries.
- (2) Leasehold improvements, vaults, and fixed machinery and equipment.
- (3) Remodeling costs to existing premises.
- (4) Real estate acquired and intended to be used for future expansion.
- (5) Parking lots that are used by customers or employees of the bank, its branches, and its consolidated subsidiaries.
- (6) Furniture, fixtures, and movable equipment of the bank, its branches, and its consolidated subsidiaries.
- (7) Automobiles, airplanes, and other vehicles owned by the bank and used in the conduct of its business.
- (8) The amount of capital lease property (with the bank as lessee): premises, furniture, fixtures, and equipment. See the discussion of accounting with bank as lessee in the Glossary entry for "lease accounting."
- (9) Stocks and bonds issued by non-majority-owned corporations whose principal activity is the ownership of land, buildings, equipment, furniture, or fixtures occupied or used (or to be occupied or used) by the bank, its branches, or its consolidated subsidiaries.

Exclude from premises and fixed assets:

- (1) Original paintings, antiques, and similar valuable objects (report in IBE/IFE-1, Balance Sheet, line item, 13 "Other assets").
- (2) Favorable leasehold rights (report in IBE/IFE-1, Balance Sheet, line item, 11, "Intangible assets").

Property formerly but no longer used for by the reporting entity may be reported either in this item as "Premises and fixed assets" or in IBE/IFE-1, Balance Sheet, line item, 10, "Other real estate owned."

IBE / IFE 1 ASSETS - Continued

Line 10. Other real estate owned
Report herein the total amount of other real estate owned reported on Schedule E-1, line 3. *(Exclude any real estate reported in the preceding line of IBE/IFE-1, Balance Sheet, line item 9.)*

Requirement for IFE's

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Line Item Description and instruction
For investments in real estate ventures (Direct and/or indirect)
Provide the information required in Schedule D, following the instructions provided for Schedule D, in relation to the three categories of:

1. “Real estate available for sale”,
2. “Real estate held for development and improvements”
3. “Real estate under rental administration”.

The total reported on Schedule D, line 1.d., must be carried to Schedule E-1, line 3.a.

Line 11. Investments in subsidiaries and affiliates
Report the amount of the bank's investments in subsidiaries that have not been consolidated; affiliates (associated companies); corporate joint ventures, unincorporated joint ventures, and general partnerships over which the bank exercises significant influence; and non-controlling investments in certain limited partnerships and limited liability companies accounted for by the “equity method of accounting”.

Exclude those that represent direct and indirect investments in real estate ventures (which are reported in “Other real estate owned. Line 10, above.”).

The entities in which the investments have been made are collectively referred to as “investees.” Include loans and advances to investees and holdings of their bonds, notes, and debentures. Investments in investees shall be reported using the equity method of accounting. Under the equity method, the carrying value of the investment in an investee is originally recorded at cost but is adjusted periodically to record as income the bank's proportionate share of the investee's earnings or losses and decreased by the amount of any cash dividends or similar distributions received from the investee.

IBE / IFE 1 ASSETS - Continued

Investments in subsidiaries and affiliates-continued

Unconsolidated subsidiaries include those majority-owned subsidiaries that do not meet the significance standards for required consolidation that the bank chooses not to consolidate under the optional consolidation provisions. If the amount

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Line Item Description and instruction
represents more than 10% of the total assets disclose details on
reported on Schedule E-1, line item 4.

Line 12. Intangible assets

Report the carrying amount of goodwill and assets other than goodwill such as core deposit intangibles, purchased credit card relationships, servicing assets, favorable leasehold rights, trademarks, trade names, internet domain names, and noncompetition agreements. If the amount represents more than 10% of the total assets disclose details on reported on Schedule E-1, line 5.

Intangible assets primarily result from business combinations accounted for under the acquisition method in accordance with ASC Topic 805, Business Combinations (formerly FASB Statement No. 141(R), "Business Combinations"), from acquisitions of portions or segments of another institution's business such as mortgage servicing portfolios and credit card portfolios, and from the sale or securitization of financial assets with servicing retained.

An intangible asset with a finite life (other than a servicing asset) should be amortized over its estimated useful life and should be reviewed at least quarterly to determine whether events or changes in circumstances indicate that its carrying amount may not be recoverable. If this review indicates that the carrying amount may not be recoverable, the intangible asset should be tested for recoverability (impairment) in accordance with ASC Topic 360, Property, Plant, and Equipment (formerly FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets").

IBE / IFE 1 ASSETS - Continued

Line 12. Intangible assets- Continued

An intangible asset with an indefinite useful life should not be amortized, but should be tested for impairment at least annually in accordance with ASC Topic 350, Intangibles-Goodwill and Other

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Line Item Description and instruction
(formerly FASB Statement No. 142, “Goodwill and Other Intangible Assets”).

Goodwill represents the excess of the cost of a company over the sum of the fair values of the tangible and identifiable intangible assets acquired less the fair value of liabilities assumed in a business combination accounted for as a purchase. Goodwill should not be amortized, but must be tested for impairment.

An impairment loss shall be recognized if the carrying amount of the intangible asset is not recoverable and this amount exceeds the asset’s fair value. The carrying amount is not recoverable if it exceeds the sum of the undiscounted expected future cash flows from the intangible asset.

An impairment loss is recognized by writing the intangible asset down to its fair value (which becomes the new accounting basis of the intangible asset), with a corresponding charge to expense (which should be reported in IBE/IFE-2, line item 4.d.4. “Other non-interest income (expense) and net gains (loss)”. Subsequent reversal of a previously recognized impairment loss is prohibited.

Line 13. Other assets
Report the amounts representing all other assets not included in previous lines items 1 to 12 above. If the amount represents more than 10% of the total assets disclose details on reported on Schedule E-1, line 6.

Line 14. Total assets
Report the sum of amounts reported on Line items 1.a., 1.b., 1.c., 2.c., 3.a., 3.b., 4.f., and 5 through 13, above.

IBE / IFE 1 LIABILITIES

Line 15. Deposits
The term "deposits" includes time deposits and saving deposits and follows the definitions of deposits used in the Federal Deposit Insurance Act and in Federal Reserve Regulation D.

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Line Item Description and instruction

Reciprocal balances between the reporting bank and other depository institutions may be reported on a net basis when a right of setoff exists.

The following are reported as deposits, among others:

- (1) Deposits of trust funds standing to the credit of other banks and all trust funds held or deposited in any department of the reporting bank other than the trust department.
- (2) Escrow funds.
- (3) Payments collected by the bank on loans secured by real estate and other loans serviced for theirs that have not yet been remitted to the owners of the loans.
- (4) Credit balances resulting from customers' overpayments of account balances on credit cards and other revolving credit plans.
- (5) Funds received or held in connection with checks or drafts drawn by the reporting bank and drawn on, or payable at or through, another depository institution either on a zero-balance account or on an account that is not routinely maintained with sufficient balances to cover checks drawn in the normal course of business (including accounts where funds are remitted by the reporting bank only when it has been advised that the checks or drafts have been presented).
- (6) Funds received or held in connection with traveler's checks and money orders sold (but not drawn) by the reporting bank, until the proceeds of the sale are remitted to another party, and funds received or held in connection with other such checks used (but not drawn) by the reporting bank, until the amount of the checks is remitted to another party.

IBE / IFE 1 LIABILITIES - Continued

Line 15. Deposits - Continued

The following are not reported as deposits:

- (1) Deposits received in one office of the bank for deposit in another office of the bank.

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Line Item	Description and instruction
(2)	Outstanding drafts (including advices or authorizations to charge the bank's balance in another depository institution) drawn in the regular course of business by the reporting bank on other depository institutions.
(3)	Trust funds held in the bank's own trust department that the bank keeps segregated and apart from its general assets and does not use in the conduct of its business.
(4)	Deposits accumulated for the payment of personal loans (i.e., hypothecated deposits), which should be netted against loans in Loans and Lease Financing Receivables.
(5)	All obligations arising from assets sold under agreements to repurchase.
(6)	Overdrafts in deposit accounts. Overdrafts are to be reported as loans and not as negative deposits. Overdrafts in one or more transaction accounts within a group of related transaction accounts of a single type (i.e., demand deposit accounts or NOW accounts, but not a combination thereof) maintained in the same right and capacity by a customer (a single legal entity) that are established under a bona fide cash management arrangement by this customer are not to be classified as loans unless there is a net overdraft position in the group of related transaction accounts taken as a whole. For reporting and deposit insurance assessment purposes, such accounts function as, and are regarded as, one account rather than multiple separate accounts. (NOTE: Affiliates and subsidiaries are considered separate legal entities.)
(7)	Time deposits sold (issued) by the reporting bank that it has subsequently purchased in the secondary market (typically as a result of the bank's trading activities) and has not resold as of the report date. For purposes of these reports, a bank that purchases a time deposit it has issued is regarded as having paid the time deposit prior to maturity. The effect of the transaction is that the bank has cancelled a liability as opposed to having acquired an asset for its portfolio.

IBE / IFE 1 LIABILITIES - Continued

Line 15.a. Interest bearing deposits
Represents the total amounts of all deposits (as defined in previous pages) that require an interest payment representing an expense to the reporting entity should be reported in this line. Report the amount of all deposits placed in the entity by third parties individuals, banks and other institutions (exclude deposits

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Line Item Description and instruction
made by home office, parent, affiliated and other related parties)
at the reporting date. If the amount represents more than 10% of
the total assets disclose details on reported on Schedule E-2, line
item 7.

Line 15.b. Noninterest bearing deposits
Represents the total amounts of all deposits (as defined in
previously herein) that require **do not require an interest
payment or expense** to the reporting entity should be reported in
this line. Report the amount of all deposits placed in the entity by
third parties individuals, banks and other institutions
**Exclude deposits made by home office, parent, affiliated and
other related parties) at the reporting date.**

Line 15.c. Total deposits
Report in this line the total of lines 15.a. and 15.b.

**Line 16. Securities sold under agreements to repurchase with parent and
or related companies**
Report in this line the outstanding amount of:
(1) Securities repurchase agreements, regardless of maturity, if the
agreement requires the bank to repurchase the identical security
sold or a security that meets the definition of substantially the
same.
(2) Sales of participations in pools of securities, regardless of maturity.
Report securities sold under agreements to repurchase on a gross
basis, i.e., do not net them against securities purchased under
agreements to resell, except to the extent permitted under ASC
Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB
Interpretation No. 41, "Offsetting of Amounts Related to Certain
Repurchase and Reverse Repurchase Agreements").

IBE / IFE 1 LIABILITIES - Continued

**Line 16. Securities sold under agreements to repurchase with parent and
or related companies- Continued.**

Exclude from this item:

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- Line Item Description and instruction
- (1) Repurchase agreements involving assets other than securities (report in line 20, "Other borrowed money," as appropriate, depending on the maturity and office location of the transaction).
 - (2) Borrowings from a Federal Home Loan Bank or a Federal Reserve Bank other than in the form of securities repurchase agreements (report in line 20 "Other borrowed money,").
 - (3) Obligations under due bills that resulted when the bank sold securities or other assets and received payment, but has not yet delivered the assets, and similar obligations, whether collateralized or uncollateralized (report in line 20 "Other borrowed money,").
 - (4) So-called yield maintenance dollar repurchase agreements

Line 17. Securities sold under agreements to repurchase with others

Report in this line the outstanding amount of:

- (1) Securities repurchase agreements, regardless of maturity, if the agreement requires the bank to repurchase the identical security sold or a security that meets the definition of substantially the same.
- (2) Sales of participations in pools of securities, regardless of maturity. Report securities sold under agreements to repurchase on a gross basis, i.e., do not net them against securities purchased under agreements to resell, except to the extent permitted under ASC Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements").

Exclude from this item:

- (1) Repurchase agreements involving assets other than securities (report in line 20, "Other borrowed money," as appropriate, depending on the maturity and office location of the transaction).
- (2) Borrowings from a Federal Home Loan Bank or a Federal Reserve Bank other than in the form of securities repurchase agreements (report in line 20 "Other borrowed money,").
- (3) Obligations under due bills that resulted when the bank sold securities or other assets and received payment, but has not yet delivered the assets, and similar obligations, whether collateralized or uncollateralized (report in line 20 "Other borrowed money,").
- (4) So-called yield maintenance dollar repurchase agreements

IBE / IFE 1 LIABILITIES - Continued

Line 18. Trading liabilities and Derivative liabilities. (Report details on IBE-3)

Report the trading and derivatives with negative fair values. When an institution enters into a derivative contract, it should classify

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Line Item Description and instruction
the derivative as either held for trading or held for purposes other than trading (end-user derivatives) based on the reasons for entering into the contract.

All derivatives must be reported at fair value on the balance sheet. Changes in the fair value (that is, gains and losses) of trading derivatives should be recognized currently in earnings and included in Schedule IBE/IFE-2, Income Statement, line item 4.d.2. "Trading and derivative revenues (expense)".

For assets and liabilities that the bank has netted under legally enforceable master netting agreements in accordance with ASC Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts," and under ASC Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements").

Exclude: Securities sold under agreements to repurchase. These must be reported in IBE/IFE Balance Sheet, line items 16 and 17.

Line 19. Due to Home office, borrowings from parent, affiliates and related parties

Report the aggregate total amount **due to** Home office-parent, affiliates or relate parties resulting from deposits, loans (borrowings) and other amounts disbursed for expenses incurred on behalf of the reporting entity made by the home office-parent company, affiliates and related parties.

If the amount represents more than 10% of the total assets disclose details on reported on Schedule E-2, Line item 8.

IBE / IFE 1 LIABILITIES - Continued

Line 19. Due to Home office, borrowings from parent, affiliates and related parties-Continued.

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Line Item Description and instruction
This account is **credited (increased)** by cash amounts received as deposits, loans, services, debts incurred or other assets received from Home office-parent, affiliated and/or related parties of the reporting entity.

This account is **debited (decrease)** by cash sent, services rendered, debts incurred or other assets transferred to Home office-parent and affiliated and/or related parties by the reporting entity.

If the IBE/IFE is a Branch operation, do not include amounts, made by the home office-parent in the branch representing the permanent capital investment and or classified as permanent initial equity.

Report the initial equity investment in IBE/IFE-1, Balance Sheet, line item 28 below.

Line 20. Other borrowed money
Report the aggregate total amount of other borrowings due, not reported in previous lines above, and unpaid as of the reporting date.

Report liabilities to local or foreign government and private third party bank advances, lines of credit and other borrowed money not included in line items above.

If the amount represents more than 10% of the total assets disclose details on reported on Schedule E-2-line item 9.

Line 21. Accrued interest payable
Report the aggregate total amount of interest expenses accumulated on i.e. interest bearing deposits, trading liabilities, local or foreign government and private third party bank advances, lines of credit and other borrowed money and unpaid as of the reporting date.

IBE / IFE 1 LIABILITIES - Continued

Line 22. Accounts payable and accrued liabilities

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Line Item Description and instruction
Report the total of accounts payable to third parties and all accrued and unpaid expenses.

Line 23. Income taxes payable
Report tax currently payable, if any, to tax authorities.
Since the entity's tax returns will not normally be prepared until after the year-end Reports, the entity must estimate the amount of the current income tax liability that will ultimately be reported on its tax returns. Estimation of this liability may involve consultation with tax advisors.

Line 24. Deferred tax liability, net
Report the Deferred income tax liability amount, if any, for the period reported.

Deferred tax liabilities and assets represent the amount by which taxes payable (or receivable) are expected to increase or decrease in the future as a result of "temporary differences" and net operating loss or tax credit carryforwards that may exist at the reporting date.

Line 25. Other liabilities
Report the total of other liabilities not reported on previous line items of this report. These liabilities generally are miscellaneous obligations that a company lumps together, and are to be paid over a period longer than one year.

If the amount represents more than 10% of the total assets disclose details on reported on Schedule E-2, line item 10.

Line 26. Total liabilities
Report the sum of lines 15.c. through 25, above.

IBE / IFE 1 STOCKHOLDER'S EQUITY

Line 27. Perpetual preferred stock

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Line Item Description and instruction
Report the aggregate amount of all classes of entity's preferred stock at par value, if any, issued and outstanding as of the reporting date.

Line 28. Home office equity account
Report the total amount classified as the permanent investment in the branch as of the reporting date.

The nature of the home office account:

The a legal entity that operates as the "home office" it opens an account in its general ledger entitled Branch, Branch Control, Investment in Branch, or some other similar name.

An account should be used to show the long-term investment in a branch while another account (such as Branch Current or Due To/from) will be used for annual operating transactions.

In the home office ledger, the account "**Branch Current**" is charged for everything sent to the branch or for services rendered to or for the branch, and it is credited for amounts received from the branch. In a similar manner, the branch ledger maintains an equity account entitled Home Office, Home Office Control, **Home Office Current**, or some other similar name. Home Office Current account is credited for all assets received by the branch from the home office. It is also credited for all debts incurred for merchandise acquired or for services rendered by the home office for the branch. Such an account would also be credited as a result of expenses incurred by the home office for the benefit of the branch. It is debited for amounts sent by the branch to the home office.

In operation, the branch account on the home office books will be debited when the home office account on the branch books is credited, and vice versa. Thus, the balances of such a pair of accounts should be equal in dollar amount, but the balances should be the opposite sides of the respective accounts. Two accounts that have such a relationship are often referred to as reciprocal.

The home office should segregate and classify as permanent investment an amount a representing a base (or equity) investment. Report the amount on the equity section as "**Home office equity account**" separate from transactions reported on the IBE/IFE-1, Asset, line 6 and or in the Liability, line 19.

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Line Item Description and instruction

IBE / IFE 1 STOCKHOLDER'S EQUITY

Line 29. Unremitted earnings

Report in this line the accumulated amounts of unremitted earnings kept by the entity as of the reporting date.

In a Branch, Unremitted earnings are the difference between an investor's share of the IBE/IFE Branch's net income and the amounts actually transferred to the home office.

Line 30. Common stock, at par value

Report the aggregate amount of all classes of entity's common stock, at par or stated value, issued and outstanding as of the reporting date.

Line 31. Additional paid in capital

Report the aggregate amount of capital paid in excess of par or stated value, on all classes of entity's common stock, issued and outstanding as of the reporting date.

Line 32. Retained earnings

Report the historical earnings or (losses) accumulated by the entity.

Line 33. Accumulated other comprehensive income

Report the accumulated amount of unrealized of income or loss on investment securities transaction events and of other events and circumstances. (Report also on Schedule IBE/IFE-4)

Line 34. Other equity capital components

Report any other amount for an equity component not included in lines 30 to 33 above. If the amount represents more than 10% of the total assets disclose details on reported on Schedule E-2, line item 11.

Line 35. Total equity capital

Report the sum of line items 27 to 34, above.

Line 36. Total liabilities, and equity capital

Report the sum of line items 26 and 35, above.

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Line Item Description and instruction

IBE / IFE 1 MEMORANDA INFORMATION

Line 37. MEMORANDA

Line 37.a. Average assets since the beginning of period up to the reporting date

Report the amount representing the average total assets since the beginning of the reporting calendar year.

This is accomplished by adding total assets at the beginning of the year and total assets as of the reporting date. Then divide the sum by 2).

<u>Example:</u>	(Amount in \$000)
Total assets at 1/1/20XX.	\$ 56,200
Total assets at the reporting date	<u>57,351</u>
Total	113,551
Divide total by 2	<u>2</u>
Average total assets as of the reporting date	<u><u>\$56,775</u></u>

Line 37.b. Average earnings assets

Report the average of total earning assets since the beginning of the reporting calendar year. Earning assets are principally Cash and equivalents, Securities, Loans, etc.

(It may include other assets such as loan amounts to related parties, other receivables, trading and derivative assets, and investments in subsidiaries held by the entity which are revenue producing.)

This is accomplished by adding total earning assets at the beginning of the year and total earning assets as of the reporting date. Then divide the sum by 2).

	(Amount in \$000)	(Amount in \$000)
<u>Example:</u>	<u>At 1/1/20XX</u>	<u>At reporting Date</u>
Total Cash and Equivalents	\$ 28,545	\$346,346
Total Investment in securities	3,100	3,000
Total Loans and leases	25,450	23,762
Total Investments in subsidiaries	<u>60</u>	<u>60</u>
Total Earning assets	57,155	61,168
Sum of beginning and ending earning assets amounts		118,323
Divide total by 2		<u>2</u>
Average earning assets as of the reporting date		<u><u>\$59,161</u></u>

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Line Item Description and instruction

IBE / IFE 1 MEMORANDA INFORMATION

Line 37.c. Average equity capital

Report in this line the amount representing the average equity capital investment since the beginning of the reporting calendar year.

This is accomplished by adding total equity capital at the beginning of the year and total equity capital as of the reporting date. Then divide the sum by 2).

<u>Example:</u>	<u>(Amount in \$000)</u>
Total equity at 1/1/201XX.	\$ 3,850
Total equity at the reporting date	<u>4,092</u>
Sum of beginning and ending equity amounts	7,942
Divide total by 2	<u>2</u>
Average equity capital as of the reporting date	<u>\$3,971</u>

Line 38. EMPLOYMENT

Line 38.a. Full time (If shared or equivalent to full time, indicate as full time employees)

Report the number of full time or equivalent employees in the reporting entity, as of the reporting date.

Line 38.b. Part time

Report the number of part-time or equivalent employees in the reporting entity, as of the reporting date.

Line 39. Number of clients:

Provide the total of clients serviced by the institution. If a client is serviced with more than one product or account it must be counted only one time.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

General:

Report in the following line items the **consolidated** revenues and expenses of the entity since January 1 of each year to the date of the report.

IBE/IFE INCOME FROM BANKING ACTIVITIES: Report these activities in line items **1 and 2.**

Line 1, include in the appropriate line items provided the interest and fees income on loans, lease financing, interest and dividends income on securities and investments, income from trading and derivative assets, income from securities sold under agreements to resell and other interest income,

Line 2. include in the appropriate line items provided the expenses related to the banking activities, such as Interest expenses, interest on securities sold under agreements to repurchase, Interest on trading liabilities and other borrowed money, and interest on subordinated notes and debentures to parent or affiliates.

IBE/IFE INCOME FROM OTHER SERVICES OR OPERATING ACTIVITIES: Report these in line **4.**

Line 4, includes, Fees and commissions (Including service income, except from fiduciary activities), Net impairment losses on investment securities (negative \$), Net gains or losses on:

1. Early extinguishment of repurchase agreement
2. Sales of loans and leases
3. Sales of other real estate owned
4. Sales of other assets (excluding securities)
5. Realized gains (losses) on held to maturity securities
6. Realized gains (losses) on available for sale securities

In addition to the reporting of other income, expenses and net gains or losses on:

1. Gains on change in value of investments under the Fair Value Option
2. Trading and derivative revenues (expense)
3. Income from fiduciary activities
4. Total other income (expenses) and net gains (or losses)

Line items 6,7,8,9, require the reporting of General and administrative expenses, provision for loans and lease losses, security gains and losses , and finally equity in earnings or losses.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 1. Interest income:

Line 1.a. Interest and fee income on loans

Report in this line the total interest and fee income earned of loans granted by the entity and reported by the entity in Schedule E-3, Line 12, if the amount reported is more than 10% of total net interest income.

Line 1.b. Lease financing

Report in this line the total lease financing income earned of leases granted and reported by the entity in Schedules C-1, Part II, line 3.

Line 1.c. Interest on balances with depository Institutions

Report in this line the total interest income earned interest bearing balances held on deposit accounts with other institutions as included and reported by the entity in Schedule A.

If the amount reported is more than 10% of total net interest income, provide details on Schedule E-3, line 13.

Line 1.d. Interest and dividend income on securities and investments

Report in this line the total interest and dividend income earned on securities and investments held as included and reported by the entity in Schedule B.

If the amount reported is more than 10% of total net interest income, provide details on Schedule E-3, line 14.

Line 1.e. Interest income from trading assets

Report the interest income earned on assets reportable in IBE/IFE-1, Balance Sheet, line item 8, "Trading and derivative assets."

Include accretion of discount on assets held for trading that have been issued on a discount basis, such as U.S. Treasury bills and commercial paper.

Exclude gains (losses) and fees from trading assets, reportable in IBE/IFE-2, Income Statement, item 4.d.2, "Trading and derivative revenue (expense)." Also exclude revaluation adjustments from the periodic marking to market of derivative contracts held for trading purposes, reportable in IBE/IFE-2, item 4.d.2. The effect of the periodic net settlements on these derivative contracts should be included as part of the revaluation adjustments from the periodic marking to market of the contracts.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 1.f. Interest income on federal funds and on securities purchased under agreements to resell

Report the gross revenue from assets reported in IBE/IFE-1, line items 3.a. and 3.b.

"Securities purchased under agreements to resell." Include interest income earned on securities purchased under agreements to resell that are reported at fair value under a fair value option.

Report the expense of securities sold under agreements to repurchase reported on IBE/IFE-1, item 16 and 17, in IBE/IFE-2, item 4.d.2., "Trading and derivative revenue (expense)"; do not deduct from the gross revenue reported in this item. However, if amounts recognized as payables under repurchase agreements have been offset against amounts recognized as receivables under reverse repurchase agreements and reported as a net amount in accordance with ASC Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements"), the income and expense from these agreements may be reported on a net basis in IBE/IFE-2, Income Statement.

Line 1.g. Other interest income

Report interest income on assets other than those assets properly reported in IBE/IFE-1, Balance Sheet, items 1, through 4.

Also include interest income on interest-only strips receivable (not in the form of a security) that are reportable in IBE/IFE-1, Balance Sheet, line 7 "Other receivables" and dividends on investments in subsidiaries reportable on IBE/IFE-1, Balance Sheet, line 11. "Investments in subsidiaries and affiliates".

However, exclude interest and dividends on venture capital investments (loans and securities), which should be reported in IBE/IFE-2, Income Statement, line 4.d.4 "Other income (expenses)". Include dividend income on "Equity securities that do not have readily determinable fair values" that are reportable in IBE/IFE-1, Balance Sheet, line 13.

Line 1.h. Total interest and fees income, dividend and other income

Report in this line the sum of line items 1.a., through 1.g.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 2. Interest expense (From banking related activities):

Report in the appropriate sub-items of this section, all interest expense, including amortization of the cost of merchandise or property offered in lieu of interest payments, on deposits reportable in Schedule A-line 2, as "Interest-bearing deposits.

Exclude the cost of gifts or premiums (whether in the form of merchandise, credit, or cash) given to depositors at the time of the opening of a new account or an addition to, or renewal of, an existing account (*Report in IBE/IFE-2, Income Statement, line 4.d.4., "Other income (expense).*

Include as interest expense on the appropriate category of deposits finders' fees and brokers' fees that represent an adjustment to the interest rate paid on deposits the reporting bank acquires through brokers. If material, such fees should be capitalized and amortized over the term of the related deposits. However, exclude fees levied by brokers that are, in substance, retainer fees or that otherwise do not represent an adjustment to the interest rate paid on brokered deposits (*Report in IBE/IFE-2, Income Statement, line 4.d.4., "Other income (expense).*

Also include interest expense incurred on deposits that are reported at fair value under a fair value option. Deposits with demand features are generally not eligible for the fair value option.

Deduct from the gross interest expense of the appropriate category of time deposits penalties for early withdrawals, or portions of such penalties, that represent the forfeiture of interest accrued or paid to the date of withdrawal. If material, portions of penalties for early withdrawals that exceed the interest accrued or paid to the date of withdrawal should not be treated as a reduction of interest expense. (*Report in IBE/IFE-2, Income Statement, line 1.g., "Other interest income").*

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 2.a. Transaction accounts

Report in this line total expense for interest paid on all interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)

Exclude all costs incurred by the entity in connection with noninterest-bearing demand deposits.

Line 2.b. Non-transaction accounts:

Line 2.b.1. Savings deposits

Report in this line the total expense for interest paid on all deposits in money market deposit accounts and other savings deposits accounts.

Line 2.b.2. Time deposits

Report in this line the total expense for interest paid on time deposits accounts.

Line 2.c. Interest expense of securities sold under agreements to repurchase

Report in this line the gross expense of all liabilities reportable as in IBE/IFE-1 Balance Sheet, line 16 and 17 “Securities sold under agreements to repurchase”. Include interest expense incurred on securities sold under agreements to repurchase that are reported at fair value under a fair value option.

Report the income of securities sold under agreements to resell (IBE/IFE-1 Balance Sheet, line 3.a and b.) in IBE/IFE-2, Income Statement item 1.f., “Interest income on federal funds sold and securities purchased under agreements to resell” **do not deduct from the gross expense** reported in this item.

However, if amounts recognized as payables under repurchase agreements have been offset against amounts recognized as receivables under reverse repurchase agreements and reported as a net amount in IBE/IFE-1, Balance Sheet, in accordance with ASC Subtopic 210-20, Balance Sheet - Offsetting (formerly FASB Interpretation No. 41, “Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements”), the income and expense from these agreements may be reported on a net basis in Schedule IBE/IFE-2, Income Statement.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 2. Interest expense - (Continued):

Line 2.d. Interest on trading liabilities and other borrowed money

Report the interest expense on all liabilities reported in IBE/IFE-1, Balance Sheet, line 18, "Trading and derivative liabilities," and in line 20, "Other borrowed money." Include interest expense incurred on other borrowed money reported at fair value under a fair value option.

Include amortization of debt issuance costs associated with other borrowed money (unless the borrowed money reported at fair value under a fair value option, in which case issuance costs should be expensed as incurred).

Line 2.e. Interest on subordinated notes and debentures to parent company or affiliates

Report the interest expense on all liabilities reportable in IBE/IFE-1, Balance Sheet, line item 19, "Due to Home office, borrowings from parent, affiliates and related parties."

Include interest expense incurred on subordinated notes and debentures reported at fair value under a fair value option.

Include amortization of debt issuance costs associated with subordinated notes and debentures (unless the notes and debentures are reported at fair value under a fair value option, in which case issuance costs should be expensed as incurred).

Exclude dividends declared or paid on limited-life preferred stock (report dividends declared in Schedule IBE/IFE-4, "Changes in Equity Capital and Statement of Comprehensive Income" line 8)

Line 2.f. Total interest expense

Report in this line the sum of lines 2.a., through 2.e., above.

Line 3. Net interest income

Report in this line the amount of Line 1.h. minus the amount reported on 2.f.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 4. Non-interest income (loss):

Line 4.a. Fees and commissions (Including service income, except from fiduciary activities)

Report in this line, service charges, and fees levied on deposit accounts, for:

1. deposits to or withdrawals from deposit accounts through the use of automated teller machines or remote service units,
2. for the processing of checks drawn against insufficient funds, so-called "NSF check charges," that the institution assesses regardless of whether it decides to pay, return, or hold the check¹,
3. for issuing stop payment orders,
4. for certifying checks,
5. for wire transfer services provided to the institution's depositors.
6. For commissions amounts charged for securities brokerage, advisory, insurance, underwriting, and annuity sales
7. or in any other activity.

Line 4.b. Net impairment losses on investment securities

Report in this line any losses on permanent decreases in value of investments.

Line 4.c. Net gain (Loss) on:

Line 4.c.1. Early extinguishment of repurchase agreement

Report in this line the net gain or loss on early extinguishment of repurchase agreements.

Line 4.c.2. Sales of loans and leases

Report the amount of net gains or losses on sales and other disposals of loans and leases reportable in Schedule C-1, Part II, line 3., including unrealized losses (and subsequent recoveries of such net unrealized losses) on loans and leases held for sale.

Exclude net gains or losses on loans and leases sold in the bank's own securitization transactions and unrealized losses (and recoveries of unrealized losses) on loans and leases held for sale in the bank's own securitization transactions (report these gains (losses) in IBE/IFE-2, Income Statement, item 4.d.4, "Other non-interest income (expenses) and net gains").

¹ Exclude subsequent charges levied against overdrawn accounts based on the length of time the account has been overdrawn, the magnitude of the overdrawn balance, or which are otherwise equivalent to interest (report in the appropriate line item of IBE/IFE-2, Income Statement, item 1.a, "Interest and fee income on loans")

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 4. Other non-interest income (loss): Continued.

Line 4.c.3. Sales of other real estate owned

Report in this line the amount of net gains (losses) on sales and other disposals of other real estate owned (reportable in IBE/IFE-1, Balance Sheet, item 10), increases and decreases in the valuation allowance for foreclosed real estate, and write-downs of other real estate owned subsequent to acquisition (or physical possession) charged to expense.

Do not include as a loss on other real estate owned, gains or losses related to securities or any amount charged to the allowance for loan and lease losses at the time of foreclosure (actual or physical possession) for the difference between the carrying value of a loan and the fair value less cost to sell of the foreclosed real estate.

Line 4.c.4. Sales of other assets (excluding securities)

Report the amount of net gains or losses on sales and other disposals of other assets not required to be reported elsewhere in IBE/IFE-2.

Net gains or losses on sales and other disposals of premises and fixed assets; personal property acquired for debts previously contracted (such as automobiles, boats, equipment, and appliances); and coins, art, and other similar assets. Also include net gains (losses) on sales of, and other-than-temporary impairment losses on, equity securities that do not have readily determinable fair values and are not held for trading.

Do not include net gains or losses on sales and other disposals of held-to-maturity securities, available-for-sale securities, loans and leases (either directly or through securitization), trading assets, and other real estate owned (report these net gains (losses) in the appropriate line items of IBE/IFE-2, Income Statement.

Line 4.c.5. Realized gains (losses) on held to maturity securities

Report the net gain or loss realized during the calendar year to date from the sale, exchange, redemption, or retirement of all securities reportable in IBE/IFE-1, Balance Sheet, item 2.b, "Held-to-maturity securities". The realized gain or loss on a security is the difference between the sales price (excluding interest at the coupon rate accrued since the last interest payment date, if any) and its amortized cost.

Also include write-downs of the cost basis of individual held-to-maturity securities for other than temporary impairments. If the amount to be reported in this item is a net loss, report it with a minus (-) sign. Exclude from this item realized gains or losses **on available-for-sale securities** (report in IBE/IFE-2, Income Statement, item 4.c.6.

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IBE / IFE-2 INCOME STATEMENT

Line 4.c.6. Realized gains (losses) on available for sales securities

Report the net gain or loss realized during the calendar year to date from the sale, exchange, redemption, or retirement of all securities reportable in IBE/IFE-1, Balance Sheet, item 2.a, "Available-for-sale securities." The realized gain or loss on a security is the difference between the sales price (excluding interest at the coupon rate accrued since the last interest payment date, if any) and its amortized cost.

Also include in this item write-downs of the cost basis of individual available-for-sale securities for other than temporary impairments. If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

Exclude from this item:

- (1) The change in net unrealized holding gains (losses) on available-for-sale securities during the calendar year to date (report in IBE/IFE-1, Balance Sheet, item 33, "Other comprehensive income").
- (2) Realized gains or losses on **held-to-maturity securities** (report in IBE/IFE-2, item 4.c.5).

Line 4. d. Other non-income (expense) and net gains (loss) on:

Line 4.d.1. Gains on change in value of investments under the Fair Value Option

Report in this line gains on change in value of investments under the Fair Value Option.

Line 4.d.2. Trading revenues and derivative activities

Report the net gain or loss from trading cash instruments and derivative contracts (including commodity contracts) that has been recognized during the calendar year-to-date and reportable in IBE/IFE-3, Commitments, Derivatives and Off Balance Sheet.

Include as trading revenue:

- (1) Revaluation adjustments to the carrying value of cash instruments resulting from the periodic marking to market of such instruments.
- (2) Revaluation adjustments from the periodic marking to market of interest rate, foreign exchange rate, commodity, and equity derivative contracts
- (3) Incidental income and expense related to the purchase and sale of cash instruments

If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 4.d.3. Income from fiduciary activities

Report all gross income commissions and fees from services rendered by the entity's trust department acting in any fiduciary capacity. Report a zero or the word "none" if the bank has no trust department and no consolidated subsidiaries that render services in any fiduciary capacity. Report all fiduciary and related assets on Schedule RC-T.

Line 4.d.4. Other non-interest income (expense) and net gains (loss)

Report all operating income of the entity for the calendar year to date not required to be reported elsewhere in IBE/IFE-2, Income Statement. If amount exceeds 10% of the total interest income and non-interest income (IBE-/IFE-2, Income statement, line 5) disclose details of major components in Schedule E-3, line 15.

Include: i.e. Rental income, income and fees from the printing and sale of checks, earnings on/increase in value of cash surrender value of life insurance, income and fees from automated teller machines (ATMs), rent and other income from other real estate owned, safe deposit box rent, net change in the fair values of financial instruments accounted for under a fair value option, bank card and credit card interchange fees, and gains on bargain purchases.

Line 4.d.5. Total other non-interest income (expenses) and net gains (loss)

Report in this line sum of line items 4.d.1., to 4.d.4., above.

Line 4.e. Total non-interest other income (loss):

Report in this line sum of line items 4.a. through 4.c.6, and 4.d.5.

Line 5. Total net interest income and non-interest income (loss)

Report in this line sum of line items 3. and 4.e., above.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 6. Non Interest Expense:

Line 6.a. Salaries and employee benefits

Report salaries and benefits of all officers and employees of the entity.

Include guards and contracted guards, temporary office help, dining room and cafeteria employees, and building department officers and employees (including maintenance personnel).

Include as employees individuals who, in form, are employed by an affiliate but who, in substance, do substantially all of their work for the reporting entity. However, the entity should not segregate the compensation component of other intercompany cost allocations arising from arrangements other than that described in the preceding sentence for purposes of this item.

Include as salaries and employee benefits: Gross salaries, wages, overtime, bonuses, incentive compensation, and extra compensation, social security taxes and state and federal unemployment taxes paid by the bank, contributions to the bank's retirement plan, pension fund, profit-sharing plan, employee stock ownership plan, employee stock purchase plan, and employee savings plan, premiums on health and accident, hospitalization, dental, disability, and life insurance policies for which the bank is not the beneficiary, cost of office temporaries whether hired directly by the bank or through an outside agency, Workmen's compensation insurance premiums, the net cost to the bank for employee dining rooms, restaurants, and cafeterias, accrued vacation pay earned by employees during the calendar year-to-date, the cost of medical or health services, relocation programs and reimbursements of moving expenses, tuition reimbursement programs, and other so-called fringe benefits for officers and employees, and compensation expense (service component and interest component) related to deferred compensation agreements.

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Line Item Description and instruction

IBE / IFE-2 INCOME STATEMENT

Line 6.a. Salaries and employee benefits-Continued.

Exclude from salaries and employee benefits and report in the appropriate line items or as other non-interest expense:

- (1) Amounts paid to attorneys, accountants, management consultants, investment counselors, and other professionals who are not salaried officers or employees of the bank (except if these professionals, in form, are employed by an affiliate of the reporting bank but, in substance, do substantially all of their work for the reporting bank).
- (2) Expenses related to the testing and training of officers and employees.
- (3) The cost of bank newspapers and magazines prepared for distribution to bank officers and employees.
- (4) Expenses of life insurance policies for which the bank is the beneficiary. (However, when these expenses relate to entity's-owned life insurance policies with cash surrender values, entities may report the net earnings on or the net increases in the value of these cash surrender values as "Other non-interest income")
- (5) The cost of athletic activities in which officers and employees participate when the purpose may be construed to be for marketing or public relations, and employee benefits are only incidental to the activities.
- (6) Dues, fees and other expenses associated with memberships in country clubs, social or private clubs, civic organizations, and similar clubs and organizations.

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Line 6.b. Professional services

Report in this line retainer fees, legal fees, and other fees and expenses paid to attorneys who are not bank officers or employees.

Include: Fees for accounting, auditing, and attestation services; retainer fees; and other fees and expenses paid to accountants and auditors who are not bank officers or employees. Legal fees and other direct costs incurred to effect foreclosures on real estate and subsequent noninterest expenses related to holdings of real estate owned other than bank premises (including depreciation charges, if appropriate).

Line 6. c. Management and technical assistance

Report in this line fees for consulting and advisory services, retainer fees, and other fees and expenses paid to management consultants, investment advisors, and other professionals (other than attorneys providing legal services and accountants providing accounting, auditing, and attestation services) who are not bank officers or employees.

Line 6.d. Fees paid to parent company

Report in this line management fees assessed by the bank's parent holding company, whether for specific services rendered or of a general (prorated) nature. Management fees assessed by the bank's parent holding company, whether for specific services rendered or of a general (prorated) nature.

Line 6.e. Occupancy costs

Report all noninterest expenses related to the use of premises, equipment, furniture, and fixtures reportable in IBE/IFE-1, line 9. "Premises and fixed assets," net of rental income, if any. If this net amount is a credit balance, report it with a minus (-) sign.

Exclude from expenses of premises and fixed assets:

- (1) Interest on mortgages, liens, or other encumbrances on premises or equipment owned, including the portion of capital lease payments representing interest expense (report as "Interest on trading liabilities and other borrowed money").

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Line 6.e. Occupancy costs -Continued

(2) All expenses associated with other real estate owned (report as "Other non-interest expense").

(3) Gross rentals from other real estate owned and fees charged for the use of parking lots properly reported as other real estate owned, as well as safe deposit box rentals and rental fees applicable to operating leases for furniture and equipment rented to others (report as "Other non-interest income").

Line 6.f. Depreciation and amortization expense

Report in this line depreciation expense of furniture, equipment rented to others under operating leases, bank-owned automobiles, and other vehicles for bank business.

Line 6. g. Other administrative and general expenses

Report all other operating expenses of the bank for the calendar year-to-date not required to be reported elsewhere in IBE/IFE-2. Disclose details in Schedule E-3, line 16, if the dollar amount this line item exceeds (is greater than) 10% percent of the total net interest revenue and non-interest income (loss) reported on IBE/IFE-2, line 5.

Exclude:

(1) Material expenses incurred in the issuance of subordinated notes and debentures (capitalize such expenses and amortize them over the life of the related notes and debentures and report the expense in "Interest on subordinated notes and debentures").

(2) Expenses incurred in the sale of preferred and common stock (deduct such expenses from the sale proceeds and credit the net amount to the appropriate stock account.

(3) Write-downs of the cost basis of individual held-to-maturity and available-for-sale securities for other than temporary impairments (report as "Realized gains (losses) on held-to-maturity securities," and "Realized gains (losses) on available-for-sale securities," respectively).

(4) Revaluation adjustments to the carrying value of all assets and liabilities reported in at fair value under a fair value option. Banks should report these net decreases (increases) in fair value on trading assets and liabilities in "Trading and derivative revenues (expense)". Revaluation adjustments to the carrying value of servicing assets and liabilities and on other financial assets and liabilities in "Other non-interest income and net gains (loss)".

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Line 6. h. Total non-interest expense

Report the sum of items 6.a through 6.g., above.

Line 7. Provision for loan and lease losses

Report the amount of loan and lease losses the amount of the provision reported on Schedule C-2, Line 11.b., to the date of the reporting period.

Line 8 Security gains (losses)

Report the net result on gains or losses on any other type of securities sold and not reported on line items 4.c.5 and 4.c.6 above.

Line 9. Equity in earnings (losses) of subsidiaries

Report in this line the recognizable earnings or losses in subsidiaries and affiliates in accordance with generally accepted accounting standards and principles promulgated by the AICPA.

Line 10. Income (loss) before taxes and extraordinary items and other adjustments

Report the sum of line items 5, minus the amount in line 9.a.

Line 11. Provision (benefit) for income taxes:

Recognize the amount of taxes payable or refundable for the current year and the deferred tax assets and liabilities relating to the future tax consequences of events that have been recognized in a company's financial statements or tax returns. ASC 740 (formerly known as "Statement 109: Accounting for Income Taxes" or "FAS 109") provides guidance on financial accounting and reporting standards for the effects of income taxes that result from a company's activities during the current and preceding years.

Line 11.a. Current

Report in this line the current income tax provision which is that portion of the total income tax provision that is based on taxable income on line 10 above.

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Line 11.b. Deferred

Report in this line the deferred income tax provision.

The deferred income tax provision represents a liability recorded on the balance sheet that results from income already earned and recognized for accounting, but not tax, purposes. Also, differences between tax laws and accounting methods can result in a temporary difference in the amount of income tax payable by a company. This difference is recorded as deferred income tax.

Line 11. c. Provision (benefit) for income taxes, net

Report the sum of items 11.a, and 11.b. above.

Line 12. Income before extraordinary items and other adjustments

Report the sum of items 10, and 11.c. above.

Line 13. Extraordinary items and other adjustments, net of income taxes

Report the total of the transactions listed below, if any, net of any applicable income tax effect. State the dollar amount and If amount exceeds 10% of total interest income and non-interest income (IBE/IFE-2, line 5) disclose details of major components in Schedule E, line 17.

Include as extraordinary items and other adjustments:

- (1) The material effects of any extraordinary items. Extraordinary items are very rare and the criteria which must be satisfied in order for an event or transaction to be reported as an extraordinary item must be met.
- (2) Material aggregate gains on troubled debt restructurings of the reporting bank's own debt, as determined in accordance with the provisions of ASC Subtopic 310-40, Debt - Troubled Debt Restructurings by Debtors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings").
- (3) The cumulative effect of all changes in accounting principles except for those required to be reported as, "Restatements due to corrections of material accounting errors and changes in accounting principles."
- (4) The results of discontinued operations as determined in accordance with the provisions of ASC Topic 360, Property, Plant, and Equipment (formerly FASB Statement No. 144, "Accounting for the Impairment of Long-Lived Assets").

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Line 13. Extraordinary items and other adjustments, net of income taxes-Continued.

Exclude from extraordinary items and other adjustments

(A) net gains (losses) from the sale or other disposal of:

1. All assets reportable as loans and leases
2. Premises and fixed assets.
3. Other real estate owned.
4. Personal property acquired for debts previously contracted (such as automobiles, boats, equipment, and appliances).
5. Coins, art, and other similar assets.
6. Branches (i.e., where the reporting bank sells a branch's assets to another depository institution which assumes the deposit liabilities of the branch).

For the first five categories above, the entity should report net gains (losses) in the appropriate category of "Noninterest income".

For the sixth (6th) category above, the entity should consistently report net gains (losses) from branch sales as "Other non-interest income" or as "Other non-interest expense".

(B) Write-downs of the cost basis of individual held-to-maturity and available-for-sale securities for other than temporary impairments (report in item 4.c.5. "Realized gains (losses) on held-to-maturity securities," and item 4.c.6. "Realized gains (losses) on available-for-sale securities," respectively).

If the aggregate amount reported in this item is a net loss, report it with a minus (-) sign.

Line 14. Net income (loss)
Report the sum of items 12 and 13. above.

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IBE/IFE-3

Commitments, Derivatives and Off Balance Sheet Items

General instructions **UNUSED COMMITMENTS**

Schedule IBE/IFE-3 should be completed on a fully consolidated basis. In addition to information about derivatives, Schedule IBE/IFE-3 includes the following selected commitments, contingencies, and other off-balance sheet items that are not reportable as part of the Balance Sheet (IBE/IFE-1). Among the items not to be reported in Schedule IBE/IFE-3 are contingencies arising in connection with litigation. For those asset-backed commercial paper program conduits that the reporting bank consolidates onto its balance sheet (IBE/IFE-1) in accordance with ASC Subtopic 810-10, Consolidation - Overall (formerly FASB Interpretation No. 46 (Revised), "Consolidation of Variable Interest Entities," as amended by FASB Statement No. 167, "Amendments to FASB Interpretation No. 46(R)"), any credit enhancements and liquidity facilities the bank provides to the programs should not be reported in Schedule IBE/IFE-3. In contrast, for conduits that the reporting bank does not consolidate, the bank should report the credit enhancements and liquidity facilities it provides to the programs in the appropriate items of Schedule IBE/IFE-3.

INSTRUCTIONS

Line Item Descriptions and Instructions

Line 1. Unused commitments:

Report in the appropriate subitem the unused portions of commitments. Unused commitments are to be reported gross, i.e., include in the appropriate subitem the unused amount of commitments acquired from and conveyed or participated to others. However, exclude commitments conveyed or participated to others that the bank is not legally obligated to fund even if the party to whom the commitment has been conveyed or participated fails to perform in accordance with the terms of the commitment.

1.a. To originate personal loans

Report in this line all contractual obligations to satisfy an amount of money at a specified time and manner for personal expenditures. Exclude personal lines of credit and credit cards.

1.b. Unused personal lines of credit and credit cards lines of credit

Report the unused portions of all commitments to extend credit both to individuals for household, family, and other personal expenditures and to other customers, including commercial or industrial enterprises, through credit cards. Exclude home equity lines accessible through credit cards. Banks may report unused credit card lines as of the end of their customers' last monthly billing cycle prior to the report date or as of the report date.

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IBE/IFE-3

Commitments, Derivatives and Off Balance Sheet Items-Continued.

1.c. Commercial lines of credit

Report in this line all contractual obligations to satisfy an amount of money at a specified time and manner on commercial lines of credit.

1.d. Commitments to fund commercial real estate, construction and land development loans secured by real estate

Report in this line all contractual obligations to satisfy an amount of money at a specified time and manner on commitments to fund commercial real estate, construction and land development loans secured by real estate.

Report in the appropriate subitem the unused portions of commitments to extend credit for the specific purpose of financing commercial and multifamily residential properties (e.g., business and industrial properties, hotels, motels, churches, hospitals, and apartment buildings), provided that such commitments, when funded, would be reportable as either **loans secured** by multifamily residential properties or **loans secured** by nonfarm nonresidential properties. Also include the unused portions of commitments to extend credit for the specific purpose of financing (a) land development (i.e., the process of improving land – laying sewers, water pipes, etc.) preparatory to erecting new structures or (b) the on-site construction of industrial, commercial, residential, or farm buildings, provided that such commitments, when funded, would be reportable as loans **secured by real estate** in construction, land development, and other land loans. For purposes of this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures.

Also include in this item loan proceeds the bank is obligated to advance as construction progress payments.

Do not include general lines of credit that a borrower, at its option, may draw down to finance construction and land development (report in IBE/IFE-3, item 1.e., or item 1.f, below, as appropriate).

1.e. Commitments to fund commercial real estate, construction and land development loans NOT secured by real estate

Report in this line all contractual obligations to satisfy an amount of money at a specified time and manner on commitments to fund commercial real estate, construction and land development loans **NOT** secured by real estate.

1.f. Other unused commitments (Provide detail below):

The following four lines have been provided to specifically report the type or category of unused commitments in case that lines 1.a. to 1.e. are not applicable to the entity's activity: Replace the "text" with the appropriate name of the most significant commitments and use line 1.f.4 to include all others (not reported in previous lines).

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Line Item Description and instruction

IBE/IFE-3

Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 1. Unused commitments- Continued:

1.f.1. to 1.f.4 Text

Use these lines to report any the category of unused commitment for a specified purposes and include the amount in the column to the right.

1.f.5. Total other unused commitments

Report in this line the sum of lines 1.f.1. to 1.f.4. above.

1.g. Total unused commitments

Report in this line the sum of lines 1.a through, 1.e, and 1.f.5, above.

Line 2. Commercial Letters of Credit

Report in this line all contractual obligations to satisfy an amount of money at a specified time and manner on commercial letters of credit.

Report the amount outstanding and unused as of the report date of issued or confirmed commercial letters of credit, travelers' letters of credit not issued for money or its equivalent, and all similar letters of credit, but excluding standby letters of credit (which are to be reported in line item 3, below). Legally binding commitments to issue commercial letters of credit are to be reported in this item.

Travelers' letters of credit and other letters of credit issued for money or its equivalent by the reporting bank or its agents should be reported as demand deposit liabilities.

Line 3. Standby Letters of Credit

General Instructions for Standby Letters of Credit

Report in this line all contractual obligations to satisfy an amount of money at a specified time and manner on standby of credit. Originating banks must report the full amount outstanding and unused of financial and performance standby letters of credit, respectively. Include those standby letters of credit that are collateralized by cash on deposit, that have been acquired from others, and in which participations have been conveyed to others where (a) the originating and issuing bank is obligated to pay the full amount of any draft drawn under the terms of the standby letter of credit and (b) the participating banks have an obligation to partially or wholly reimburse the originating bank, either directly in cash or through a participation in a loan to the account party.

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 3. Standby Letters of Credit- Continued.

General Instructions for Standby Letters of Credit - Continued.

For syndicated standby letters of credit where each bank has a direct obligation to the beneficiary, each bank must report only its share in the syndication. Similarly, if several banks participate in the issuance of a standby letter of credit under a bona fide binding agreement which provides that (a) regardless of any event, each participant shall be liable only up to a certain percentage or to a certain amount and (b) the beneficiary is advised and has agreed that each participating bank is only liable for a certain portion of the entire amount, each bank shall report only its proportional share of the total standby letter of credit.

For a financial or performance standby letter of credit that is in turn backed by a financial standby letter of credit issued by another bank, each bank must report the entire amount of the standby letter of credit it has issued. The amount of the reporting bank's financial or performance standby letter of credit that is backed by the other bank's financial standby letter of credit must also be reported since the backing of standby letters of credit has substantially the same effect as the conveying of participations in standby letters of credit. Also include all financial and performance guarantees issued by foreign offices of the reporting bank pursuant to Federal Reserve Regulation K or Section 347.103(a)(1) of the FDIC Rules and Regulations.

Report the amount outstanding and unused as of the report date of **all financial standby letters of credit** (and all legally binding commitments to issue financial standby letters of credit) issued by any office of the bank. A financial standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (account party) fails to repay an outstanding loan or debt instrument. (See the Glossary entry for "letter of credit" for further information.)

Include also:

1. The portion of the bank's total contingent liability for **financial standby letters of credit that the bank has conveyed to others**. Also include that portion of the reporting bank's financial standby letters of credit that are backed by other banks' financial standby letters of credit, as well as the portion that participating banks have reparticipated to others. Participations and backings may be for any part or all of a given obligation.
2. **All performance standby letters of credit** (and all legally binding commitments to issue performance standby letters of credit) issued by any office of the bank. A performance standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (account party) fails to perform some contractual non-financial obligation.

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 3. Standby Letters of Credit- Continued.

Exclude from financial standby letters of credit:

- (1) Financial standby letters of credit where the beneficiary is a consolidated subsidiary of the reporting bank.
- (2) Signature or endorsement guarantees of the type associated with the clearing of negotiable instruments or securities in the normal course of business.

Line 4. Derivative and off balance sheet assets and liabilities:

4.a. Notional amounts

Report in the appropriate subitem the notional amount (stated in U.S. dollars) of all credit derivatives.

Credit derivatives. In general, credit derivatives are arrangements that allow one party (the "protection purchaser" or "beneficiary") to transfer the credit risk of a "reference asset" or "reference entity" to another party (the "protection seller" or "guarantor").

All credit derivative transactions within the consolidated entity should be reported on a net basis, i.e., intrabank transactions should not be reported in this item. No other netting of contracts is permitted for purposes of this item. Therefore, do not net the notional amounts or fair values of: (1) credit derivatives with third parties on which the reporting bank is the protection purchaser against credit derivatives with third parties on which the reporting bank is the protection seller, or (2) contracts subject to bilateral netting agreements.

Continues ...

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

4.a. Notional amounts- Continued.

For tranch ed **credit derivative transactions** that relate to an index, e.g., the Dow Jones CDX NA index, report as the notional amount the dollar amount of the tranche upon which the reporting bank's credit derivative cash flows are based. Describe and include notional amounts, if any, for:

1. Guarantor and/or beneficiary on – Credit default swaps,
2. Total return swap,
3. Credit options, and
4. Other credit derivatives.

Lines have been provided to specifically report the type or category of derivatives: Replace the "text" in 4.a.1 to 4.a.3., with the appropriate name of the most significant derivatives types and use line 4.a.4, to include all others (not reported in previous lines).

A notional value is a term used to describe the total value or amounts associated with some sort of future contracts or other type of leverage investment opportunity. This type of value is often determined when dealing with assets that are sold in current markets, as well as commodities that are sold as part of a futures agreement or even with options on odd or even lots of stocks. Determining the notional value focuses on identifying the number of units involved with the transaction, and, multiplying that number by the price associated with those units. One of the easiest ways to understand the notional value is to consider goods that are being used as the basis for a futures contract.

Assuming the contract is structured to commit the buyer to purchase 1000 units and the spot price for those units is currently %00 US dollars each, this would mean that the notional value of the investment is currently set at \$500,000 USD. Since the spot price represents the amount of goods would bring if they were sold immediately, knowing the notional amount makes it easier for the investor to then project what would happen to the value of the investment by the date that the contract expires and it is necessary to complete the transaction. This means that if the units in question are likely to appreciate in the interim, the investor will want to lock in the current spot price as part of the contract, then sell the units at a profit later on.

4.a.1. to 4.a.3 Text

Use these lines to report the derivative type or category and report the aggregate total notional amounts on the derivative type with positive or negative fair values on the column to the right.

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

4.a. Notional amounts- Continued.

4.a.4. Other

Use this line to report all other derivatives held and report the aggregate total notional amounts on the derivative type with positive or negative fair values on the column to the right.

4.a.5. Total

Report the sum of lines items 4.a.1., to 4.a.4, above.

4.b. Gross fair values

Report in the appropriate subitem the gross fair values of all credit derivatives.

As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, "Fair Value Measurements"), fair value for an asset or liability is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants (not a forced liquidation or distressed sale) in the asset's or liability's principal (or most advantageous) market at the measurement date. For further information, see the Glossary entry for "fair value." For purposes of this item, the reporting bank should determine the fair value of its credit derivative contracts in the same manner that it determines the fair value of these contracts for other financial reporting purposes.

Guarantor and/or beneficiary on - Credit default swaps, Total return swap, Credit options and Other credit derivatives. (Net positives and negatives).

Report in separate lines the gross positive and gross negative fair values of all credit derivatives, if any, for:

1. Guarantor and/or beneficiary on – Credit default swaps,
2. Total return swap,
3. Credit options, and
4. Other credit derivatives.

Lines have been provided to specifically report the type or category of derivatives: Replace the "text" in 4.b.1 to 4.b.3., with the appropriate name of the most significant derivatives types and use line 4.b.4, to include all others (not reported in previous lines).

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

4.b. Gross fair values - Continued

4.b.1. to 4.b.3. TEXT

Use these lines to report the derivative type or category and report the aggregate total gross fair value amounts on the derivative type with positive or negative fair values on the column to the right.

4.a.4. Other

Use this line to report all other derivatives held and report the aggregate total gross fair value amounts on the derivative type with positive or negative fair values on the column to the right.

4.b.5. Total

Report the sum of line items 4.b.1., to 4.b.4., above.

Line 5. Spot foreign exchange contracts

Report the gross amount (stated in U.S. dollars) of all spot contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange that are outstanding as of the report date. All transactions within the consolidated bank should be reported on a net basis.

A spot contract is an agreement for the immediate delivery, usually within two business days or less (depending on market convention), of a foreign currency at the prevailing cash market rate. Contracts where market convention is for delivery of a foreign currency in less than two days, e.g., T+1 day (for example, Canadian dollar-U.S. dollar contracts), should be reported as spot contracts. Any contract exceeding the market convention should be reported as a foreign exchange forward contract. Spot contracts are considered outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying currencies.

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 5. Spot foreign exchange contracts - Continued.

Only one side of a spot foreign exchange contract is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a spot contract which obligates the bank to purchase U.S. dollar exchange against which it sells Japanese yen, then the bank would report (in U.S. dollar equivalent values) the amount of Japanese yen sold in this item. In cross-currency spot foreign exchange transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported (in U.S. dollar equivalent values).

Line 6. All other off balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Total equity capital):

Report to the extent feasible and practicable all significant types of off-balance sheet assets not covered in other items of this schedule.

Exclude all items which are required to be reported as assets on the balance sheet (IBE/IFE-1), contingent assets arising in connection with litigation in which the reporting bank is involved, and assets held in or administered by the reporting bank's trust department.

Report only the aggregate amount of those types of "other off-balance sheet assets" that individually exceed 10 percent of the bank's total equity capital reported in IBE/IFE-1, item 35. If the bank has no types of "other off-balance sheet assets" that individually exceed 10 percent of total equity capital for which the reporting is feasible and practicable, report a zero.

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 6. All other off balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Total equity capital) - Continued:

Include as "other off-balance sheet assets" such items as:

- (1) Contracts for the sale of when-issued securities that are excluded from the requirements of ASC Topic 815, Derivatives and Hedging (formerly FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended), (and therefore not reported as forward contracts elsewhere in this report, and accounted for on a settlement-date basis.
- (2) Internally developed intangible assets.

Lines have been provided to specifically report the type or category of derivatives: Replace the "text" in 6.a. to 6.c., with the appropriate name of the most significant derivatives types and use line 6.d, to include all others (not reported in previous lines).

6.a to 6.d. TEXT

Use these lines to report all other off balance sheet asset type or category and report the aggregate total amounts on the column to the right.

6.e. Total

Report the sum of line items 6.a.. to 6.d., above.

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Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 7. All other off balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Total equity capital): Report in this line the amount of Line 3 minus the amount reported on 4 above. Provide detail below:

Report all significant types of off-balance sheet liabilities not covered in other items of this schedule. Exclude all items which are required to be reported as liabilities on the balance sheet, contingent liabilities arising in connection with litigation in which the reporting bank is involved, commitments to purchase property being acquired for lease to others, and signature and endorsement guarantees of the type associated with the regular clearing of negotiable instruments or securities in the normal course of business.

Include as other off-balance sheet liabilities:

- (1) Contracts for the purchase of when-issued securities that are excluded from the requirements of ASC Topic 815, Derivatives and Hedging (formerly FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended) (and therefore not reported as forward contracts), and accounted for on a settlement-date basis.
- (2) Standby letters of credit issued by another depository institution (such as a correspondent bank), a Federal Home Loan Bank, or any other entity on behalf of the reporting bank, which is the account party on the letters of credit and therefore is obligated to reimburse the issuing entity for all payments made under the standby letters of credit.
- (3) Financial guarantee insurance which insures the timely payment of principal and interest on bond issues.
- (4) Letters of indemnity other than those issued in connection with the replacement of lost or (stolen or official checks.
- (5) Shipperside or dockside guarantees or similar guarantees relating to missing bills of lading or title documents and other document

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Line Item Description and instruction
IBE/IFE-3

Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 7. All other off balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Total equity capital) - Continued:

Lines have been provided to specifically report the type or category of derivatives: Replace the “text” in 7.a. to 7.c., with the appropriate name of the most significant derivatives types and use line 7.d, to include all others (not reported in previous lines).

7.a to 7.c. TEXT

Use these lines to report the off balance sheet liability type or category and report the aggregate total amounts on the column to the right.

7.d. Other

Use this line to report all other off balance sheet liabilities types or categories and report the aggregate total amounts on the column to the right.

7.e. Total

Report the sum of line items 5.a. to 5.d., above.

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Line Item Description and instruction
IBE/IFE-3

Commitments, Derivatives and Off Balance Sheet Items-Continued.

Line 8. Fiduciary activities (itemize and describe each component of this item over 25% of Total equity capital):

These are for example: Financial instruments with off balance sheet risks. These financial instruments include custodial service in corporate debt and equity securities. Provide details below of the off balance sheet transactions amounts of above instruments and on any other similar type of fiduciary service activity provided by the reporting institution to others (whether or not related) and the related off-balance sheet risk or exposure.

8.a TEXT

Use this line to report the name of the entity to which fiduciary services are provided and report the aggregate total assets under the fiduciary contract on the column to the right.

8.b. Text

Use this line to report the name of the entity to which fiduciary services are provided and report the aggregate total assets under the fiduciary contract on the column to the right.

8.c. Text

Use this line to report the name of the entity to which fiduciary services are provided and report the aggregate total assets under the fiduciary contract on the column to the right.

8.d. Other

Use this line to report the aggregate of any other fiduciary services provided and report the aggregate total assets under the fiduciary contract on the column to the right.

8.e. Total

Report the sum of line items 6.a. to 6.d., above.

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Line Item Description and instruction
IBE/IFE-4

Changes in Equity Capital and Statement of Comprehensive Income

General instructions:

This Schedule combines the statement of changes in equity capital and the statement of comprehensive income. Report as positive (+) transactions resulting in an increase of the equity capital and as a negative (-) transactions resulting in a decrease of the equity capital reported in line 1.

Line 1. Total equity capital reported on the previous year and Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)

Report the bank's total equity capital balance as reported in the Balance Sheet and Income for the previous calendar year-end after the effect of all corrections and adjustments to total bank equity capital that were made in any amended report(s) for the previous calendar year-end.

For banks opened since January 1 of the current calendar year, report a zero in this item.

Line 2. Restatements due to corrections of material accounting errors and changes in accounting principles

Report in this line any correction due to material accounting errors and changes in accounting principles made to the ending capital balance reported in line 1, above.

Report the sum of the cumulative effect, net of applicable income taxes, of all changes in accounting principles adopted during the calendar year-to-date reporting period that were applied retroactively and for which prior years' financial statements were restated and all corrections resulting from material accounting errors that were made in prior years' Reports of Condition and Income and not corrected by the filing of an amended report for the period in which the error was made.

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Line Item Description and instruction
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Changes in Equity Capital and Statement of Comprehensive Income - Continued.

Line 2. Restatements due to corrections of material accounting errors and changes in accounting principles. -Continued.

Include only those corrections that result from:

- (1) Mathematical mistakes.
- (2) Mistakes in applying accounting principles.
- (3) Improper use of information which existed when the prior Reports of Condition and Income were prepared.
- (4) A change from an accounting principle that is neither accepted nor sanctioned by bank supervisors to one that is acceptable to supervisors.

The effect of accounting errors differs from the effect of changes in accounting estimates. Changes in accounting estimates are an inherent part of the accrual accounting process.

Report the effect of any changes in accounting estimates in the appropriate line items of the Income Statement.

The cumulative effect of a change in accounting principle is the difference between (1) the balance in the retained earnings account at the beginning of the year in which the change is made and (2) the balance in the retained earnings account that would have been reported at the beginning of the year had the newly adopted accounting principle been applied in all prior periods.

Line 3. Balance end of previous calendar year as restated
Report in this line the sum of line items 1. and 2., above

Line 4. Net income (loss) from IBE/IFE-2
Report in the equity column and in the annual comprehensive income column the net income as reported in IBE/IFE-2, line 14.

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Line Item Description and instruction
IBE/IFE-4

Changes in Equity Capital and Statement of Comprehensive Income

Line 5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)

Report in this line the net effect of capital stock transactions resulting from the sale, conversion, acquisition, or retirement of capital stock (excluding treasury stock transactions).

- (1) Sale of the bank's perpetual preferred stock or common stock. Limited-life preferred stock is not included in equity capital; any proceeds from the sale of limited-life preferred stock during the calendar year-to-date is not to be reported in this schedule.
- (2) Exercise of stock options, including:
 - (a) Any income tax benefits to the bank resulting from the sale of the bank's own stock acquired under a qualified stock option within three years of its purchase by the employee who had been granted the option.
 - (b) Any tax benefits to the bank resulting from the exercise (or granting) of nonqualified stock options (on the bank's stock) based on the difference between the option price and the fair market value of the stock at the date of exercise (or grant).
- (3) Conversion of convertible debt, limited-life preferred stock, or perpetual preferred stock into perpetual preferred or common stock.
- (4) Redemption of perpetual preferred stock or common stock.
- (5) Retirement of perpetual preferred stock or common stock.
- (6) Capital-related transactions involving the bank's Employee Stock Ownership Plan.
- (7) The awarding of share-based employee compensation classified as equity. Under ASC Topic 718, Compensation-Stock Compensation (formerly FASB Statement No. 123(R), "Share-Based Payment"), the compensation cost for such an award must be recognized over the requisite service period with a corresponding credit to equity. This reporting treatment applies regardless of whether the shares awarded to an employee are shares of bank stock or shares of stock in the bank's parent holding company.

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Line Item Description and instruction
IBE/IFE-4

Changes in Equity Capital and Statement of Comprehensive Income

Line 5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions) - Continued.

Include in this item:

- (1) The net decrease in equity capital that occurs when cash is distributed in lieu of fractional shares in a stock dividend.
- (2) The net increase in equity capital when a stockholder who receives a fractional share from a stock dividend purchases the additional fraction necessary to make a whole share.

Exclude treasury stock transactions from this item (report such transactions in item 6, below).

For banks opened since January 1 of the year-to-date reporting period, report opening (original) equity capital in this item. Pre-opening income earned and expenses incurred from the bank's inception until the date the bank commenced operations should be reported in the Report of Income using one of the two following methods, consistent with the manner in which the bank reports pre-opening income and expenses for other financial reporting purposes:

- (1) Pre-opening income and expenses for the entire period from the bank's inception until the date the bank commenced operations should be reported in the appropriate items of the Income Statement, each quarter during the calendar year in which operations commenced; or
- (2) Pre-opening income and expenses for the period from the bank's inception until the beginning of the calendar year in which the bank commenced operations should be included, along with the bank's opening (original) equity capital, in this item. Pre-opening income earned and expenses incurred during the calendar year in which the bank commenced operations should be reported in the appropriate items of the Income Statement, each quarter during the calendar year in which operations commenced.

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Changes in Equity Capital and Statement of Comprehensive Income

Line 6. Treasury stock transactions, net

Report the change in the Entity's total equity capital during the calendar year to date from the acquisition (without retirement) and resale or other disposal of the Entity's own perpetual preferred stock or common stock, i.e., treasury stock transactions.

Line 7. Changes incident to business combinations, net

Report the net effect of changes resulting from business combinations, since the beginning of the reporting year. Definition of Business combinations:

A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants [ASC 805-10-20]. A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses [ASC 805-10-20]. Exceptions: Combinations of mutual enterprises are within the scope of ASC 805. Impact on Accounting: Businesses need only be capable of producing a return rather than be self-sustaining. This will result in more groups of assets and operations being identified as businesses, which will cause more transactions to be considered business combinations. For example, a development stage enterprise may now be considered a business. **Business combinations now include transactions whereby control of a business is obtained as a result of events other than the purchase of equity interests or net assets.** Consequently, more transactions will be considered business combinations and, thus, require the use of the acquisition method. Scope of exceptions: Combinations of mutual enterprises will require the use of the acquisition method.

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Changes in Equity Capital and Statement of Comprehensive Income

Line 7. Changes incident to business combinations, net- Continued.

If the reporting institution purchased another institution or business during the year-to-date reporting period, report the fair value of any perpetual preferred or common shares issued (less the direct cost of issuing the shares).

Exclude the fair value of limited-life preferred stock issued in connection with purchase acquisitions.

If the reporting institution was acquired in a transaction that became effective during the reporting period, retained its separate corporate existence, and elected to apply pushdown accounting in its separate financial statements (including its Consolidated Reports of Condition and Income), report in this item the initial increase or decrease in equity capital that results from the application of pushdown accounting, i.e., the difference between the institution's total equity capital as of the end of the previous calendar year and its restated equity capital after the pushdown adjusting entries have been recorded as of the acquisition date.

If the reporting institution was involved in a transaction between entities under common control that became effective during the year-to-date reporting period and has been accounted for in a manner similar to a pooling of interests, report in this item the historical equity capital balances as of the end of the previous calendar year of the institution or other business that was combined with the reporting institution in the transaction.

Line 8. LESS: Cash dividends declared on preferred stock

Report in this line all cash dividends declared on preferred stock as a negative amount.

Do not include dividends declared during the previous calendar year but paid in the current period.

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Changes in Equity Capital and Statement of Comprehensive Income

Line 9. LESS: Cash dividends declared on common stock
Report in this line all cash dividends declared on common stock as a negative amount.

Do not include dividends declared during the previous calendar year but paid in the current period.

Line 10. Other comprehensive income (loss)
Report in the equity column and in the annual comprehensive income column income or (losses) resulting mainly from unrealized gains or loss on securities, on cash flow hedges and changes in minimum pension liability adjustments, and similar transactions.
Report the institution's other comprehensive income, including reclassification adjustments, for the calendar year-to-date, net of applicable income taxes, if any. Reclassification adjustments are adjustments made to avoid double counting of items in comprehensive income that are presented as part of net income for the calendar year-to-date reporting period that also had been presented as part of other comprehensive income in that reporting period or earlier reporting periods. If the amount to be reported in this item represents a reduction in the institution's equity capital, report the amount with a minus (-) sign. Items of other comprehensive income include:

- (1) The change in net unrealized holding gains (losses) on the institution's available-for-sale securities.
- (2) Unrealized holding gains (losses) that result from a debt security being transferred into the available-for-sale category from the held-to-maturity category.
- (3) For a debt security transferred into the held-to-maturity category from the available-for-sale category, amortization of the unrealized holding gain (loss) on the security at the date of transfer. Consistent with ASC Subtopic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," as amended), this unrealized holding gain (loss) should be amortized over the remaining life of the security as an adjustment of yield.

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IBE/IFE-4

Changes in Equity Capital and Statement of Comprehensive Income

Line 11. Other transactions with parent holding company - Continued.

- (4) The portion of other-than-temporary impairment losses on available-for-sale and held-to-maturity debt securities that was not recognized in earnings in accordance with ASC Topic 320, Investments-Debt and Equity Securities, subsequent decreases (if not sale debt securities previously written down as other-than-temporarily impaired, and subsequent accretion (based on the amount and timing of future estimated cash flows) of the portion of other-than-temporary impairment losses on held-to-maturity debt securities not recognized in earnings.
- (5) The change in the institution's accumulated net gains (losses) (effective portion) on derivative instruments that are designated and qualify as cash flow hedges.
- (6) Left in Blank intentionally.
- (7) Gains (losses) and transition assets or obligations associated with single-employer defined benefit pension and other postretirement plans not recognized immediately as a component of net periodic benefit cost and prior service costs or credits associated with such plans, which are accounted for in accordance with ASC Subtopic 715-20, Compensation-Retirement Benefits - Defined Benefit Plans-General (formerly FASB Statement No. 87, "Employers' Accounting for Pensions"; FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pension"; and FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans").

For further guidance on reporting other comprehensive income, see ASC Topic 220, Comprehensive Income (formerly FASB Statement No. 52, Foreign Currency Translation"; FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," as amended; FASB statement No. 133, "Accounting for Derivative Instruments and Hedging Activities"; and FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans").

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Changes in Equity Capital and Statement of Comprehensive Income

- Line 11. Other transactions with parent holding company - Continued.**
Report the net aggregate amount of transactions with the institution's stockholders, including its parent holding company, if any, that affect equity capital directly (other than those transactions reported in items 5, 6, 8, and 9, above), such as:
- (1) Capital contributions other than those for which stock has been issued to stockholders (report issuances of perpetual preferred and common stock and sales of treasury stock in this schedule, items 5 and 6, respectively; issuances of limited-life preferred stock are not reported in this schedule).
 - (2) Dividends distributed to stockholders in the form of property rather than cash (report cash dividends in items 8 or 9 above, as appropriate). Record such property dividends at the fair value of the transferred asset. Include any gain or loss recognized on the disposition of the asset in the determination of net income for the calendar year-to-date in the Income Statement.
 - (3) Return-of-capital transactions in which contributed capital (i.e., surplus) is reduced without retiring stock and cash is distributed to the institution's stockholders.
- Line 12. Total equity capital end of current period**
Report in this line the sum of line items 4 through 11, above.

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Line Item Description and instruction
IBE/IFE-SCHEDULE A - Cash and Cash Equivalents

General instructions

Schedule A segregates in three categories details of cash and cash equivalents. These are:

- (1) Non-interest bearing cash and cash equivalents, items in process of collection, unposted debits, and currency and coins.
- (2) Interest bearing balances deposits, money market investments and other accounts due from depository institutions, and
- (3) Restricted cash and equivalents.

Cash and equivalents include cash on hand, on deposit and investments that are highly liquid and so safe that:

- (1) are readily convertible into cash, and
- (2) are so near their maturity date (usually three months or less from time of purchase) that they contain negligible interest-rate risk.

Cash equivalents include both treasury bills and money market funds.

Restricted cash funds that are also cash equivalents but are presented separately on schedule IFE/IBE-Schedule A.

For reporting purposes, do not include on line 1 a. to b.5.:

- a. Deposit accounts "due from" other depository institutions that are overdrawn except overdrawn "due from" accounts arising in connection with checks or drafts drawn by the reporting Entity and drawn on, or payable at or through, another depository institution either on a zero-balance account.
- b. Deposits on an account that is not routinely maintained with sufficient balances to cover checks or drafts drawn in the normal course of business during the period until the amount of the checks or drafts is remitted to the other depository institution in which case, report the funds received or held in connection with such checks or drafts as deposits until the funds are remitted.

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IBE/IFE-SCHEDULE A - Cash and Cash Equivalents

General instructions - Continued.

Treatment of reciprocal balances with depository institutions:

For purposes of Schedule A, deposit accounts "due from" other depository institutions that are overdrawn are to be reported as other borrowings with a remaining maturity of one year or less except overdrawn "due from" accounts arising in connection with checks or drafts drawn by the reporting Entity and drawn on, or payable at or through, another depository institution either on a zero-balance account or on an account that is not routinely maintained with sufficient balances to cover checks or drafts drawn in the normal course of business during the period until the amount of the checks or drafts is remitted to the other depository institution (in which case, report the funds received or held in connection with such checks or drafts as deposits until the funds are remitted).

Reciprocal balances arise when two depository institutions maintain deposit accounts with each other, i.e., when a reporting Entity has both a "due from" and a "due to" balance with another depository institution. Reciprocal balances between the reporting Entity and other depository institutions may be reported on a net basis when a right of setoff exists. Net "due from" balances should be reported in schedule A.

Time certificates of deposits not held for trading should be included and reported in Schedule A, line 2.b. or 2.c.

"Text" lines - Replace the lines with the appropriate name account type or category and report the total amounts for the account in the column to the right.

Continues

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Line Item Description and instruction

IBE/IFE-SCHEDULE A - Cash and Cash Equivalents - Continued.

Report:

Line 1. Cash due from depository institutions, items in process of collection, unposted debits, and currency and coins:

Line 1.a. Cash items in process of collection and unposted debits.
Report items representing non-interest bearing accounts at other financial institutions, items in process of collection, unposted debits and currency and coins on hand.

Cash items in process of collection include:

(1) Checks or drafts in process of collection that are drawn on another depository institution (or on a Federal Reserve Bank) and that are payable immediately upon presentation in the United

This includes:

(a) Checks or drafts drawn on other institutions that have already been forwarded for collection but for which the reporting bank has not yet been given credit ("cash letters").

(b) Checks or drafts on hand that will be presented for payment or forwarded for collection on the following business day.

(c) Checks or drafts that have been deposited with the reporting bank's correspondent and for which the reporting bank has already been given credit, but for which the amount credited is not subject to immediate withdrawal ("ledger credit" items). Government checks drawn on the Treasurer of the United States or any other government agency that are payable immediately upon presentation and that are in process of collection.

(3) Such other items in process of collection that are payable immediately upon presentation and that are customarily cleared or collected as cash items by depository institutions in the United States or in such other country where the reporting bank's office which is clearing or collecting the item is located, such as:

(a) Redeemed United States savings bonds and food stamps.

(b) Amounts associated with automated payment arrangements in connection with payroll deposits, federal recurring payments, and other items that are credited to a depositor's account prior to the

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payment date to ensure that the funds are available on the payment date.
(C) Checks or drafts drawn on another depository institution that have been deposited in one office of the reporting bank and forwarded for collection to another office of the reporting bank.

Exclude from cash items in process of collection:

- (1) Cash items for which the reporting bank has already received credit, provided that the funds on deposit are subject to immediate withdrawal
- (2) Credit or debit card sales slips in process of collection. However, when the reporting bank has been notified that it has been given credit, the amount of such sales slips should be reported in Schedule A, item 1,c,l, "Balances due from depository institutions"
- (3) Cash items not conforming to the definition of in process of collection, whether or not cleared through Federal Reserve Banks.
- (4) Commodity or bill-of-lading drafts (including arrival drafts) not yet payable (because the merchandise against which the draft was drawn has not yet arrived), whether or not deposit credit has been given. (If deposit credit has been given, report as loans. Unposted debits are cash items in the bank's possession, drawn on itself, that are immediately chargeable, but that have not been charged to the general ledger deposit control account at the close of business on the report date. Currency and coin include both U.S. and foreign currency and coin owned and held in all offices of the reporting bank, currency and coin in transit to a Federal Reserve Bank or to any other depository institution for which the reporting bank has not yet received credit, and currency and coin in transit from a Federal Reserve Bank or from any other depository institution for which the reporting bank's account has already been charged. Foreign currency and coin should be converted into U.S. dollar equivalents as of the report date.

Line 1. b. Currency and coins

Line 1.c. Other non-interest bearing balances from depository institutions:

Line 1.c.l. Balances due from depository institutions:
Report items representing other non-interest bearing balances from deposits institutions accounts in financial institutions in the line items provided. Use lines 1.c.l.1, 1.c.l.2, and 1.c.l.3 to write accounts names that best describes the type of non-interest cash and equivalent balance held by the reporting entity.

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Line 1.c.I. 4. Restricted Cash

Restricted cash accounts are maintained by the entity to comply with regulatory and contractual requirements

Line 1.c.I.5. Total other non-interest bearing balances from depository Institutions

Report in this line the sum of lines 1.c.I.1 +1.c.I.2 +1.c.I.3+ 1.c.I.4.

Line 1.c. II. Balances due from depository institutions in correspondent bank

Report items representing Balances due from depository in correspondent banks. Use lines 1.c.II.1, 1.c.II.2, and 1.c.II.3 to write accounts names that best describes the type of non-interest cash and equivalent balance held by the reporting entity.

Write the account name and include the quantity in the amount column

Line 1.c.II.4. Restricted Cash

Restricted cash accounts are maintained by the entity to comply with regulatory and contractual requirements

Line 1. c. II. 5. Total other non-interest bearing balances in Correspondent Banks

Report in this line the sum of lines 1.c.II.1 +1.c.II.2 +1.c.II.3+ 1.c.II.4

Line 1.c. II. 6. Total other non-interest bearing balances from depository Institutions

Report in this line the sum of lines 1.c.I.5 + 1.c.II.2 +1.c.II.5

Linea 1.d. Total cash and non-interest bearing balances(Report this amount On Schedule IFE/IBE-1.a)

Report in this line the sum of lines 1.a+1.b + 1.c.II.6.

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IBE/IFE-SCHEDULE A - Cash and Cash Equivalents - Continued.

Report:

Line 2. Deposits, money market investments and other interest-bearing balance, due from depository institutions.

Line 2.a. Money market funds.
Report in the amount column the reporting entity's funds invested in money market funds. Money market funds (also known as money market mutual fund) are an open-end mutual fund that invests in short-term debt securities. Regarded as being safe as bank deposits, providing a higher yield.

Line 2.b. Time deposits with other financial institutions.
Report all time deposits balances held by the reporting entity at unrelated financial institutions.

Line 2.c. Time deposits with affiliated banks.
Report all time deposits balances held by the reporting at affiliated financial institutions (includes time deposits at the parent company financial institution).

Line 2.d. Other interest-bearing deposits:
Lines 2.d.I Balances due from depository institutions
General instructions: Report any other interest bearing deposits accounts held in financial institutions. Use "text" lines 2.d.I.1, 2.d.I.2, and 2.d.I.3 to write accounts names that best describes the type of interest deposit balance held by the reporting entity.

Lines 2.d.I.4. Restricted Cash:
Restricted cash accounts are maintained by the entity to comply with regulatory and contractual requirements

Lines 2.d.I.5. Total other interest-bearing balances form depository institutions
Include the total of quantities reported in the amount column of lines 2.d.I.1 + 2.d.I.2 + 2.d.I.3 + 2.d.I.4.

Lines 2.d.II. Balances due from depository in correspondent banks
General instructions: Report any other interest bearing deposits accounts held in financial institutions. Use "text" lines 2.d.II.1,

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- Line Item Description and instruction
2.d.II.2, and 2.d.II.3 to write accounts names that best describes the type of interest deposit balance held by the reporting entity. Write the account name and include the quantity in the amount column
- Lines 2.d.II.4. Restricted Cash
Restricted cash accounts are maintained by the entity to comply with regulatory and contractual requirements
- Lines 2.d.II.5. Total other interest bearing balances in correspondent banks
Report in this line the sum of lines 2.d.II.1 +2.d.II.2 +1.d.II.3+ 1.d.II.4.
- Line 2.d.II.6 Total other interest- bearing balances from depository institutions
Report in this line the sum of lines 2.d.I.5 + 2.d.II.5
- Line 2.e. Total deposits, money market investments and other interest Bearing balances(report on Schedule IBE-1.b; IFE-1.b)
Report in this line the sum of lines 2.d.a + 2.b. + 2.c. + 2.d.II.6

IBE/IFE-SCHEDULE A - Cash and Cash Equivalentents - Continued.

Report:

- Line 3. Restricted deposits:
Restricted cash accounts are maintained by the entity to comply with regulatory and contractual requirements
- Line 3.a. Guarantee deposits for the Clearing and processing of transactions

Report in this line amounts held for the clearing and processing of transactions
- Line 3.b. Deposits to comply with Office of the Commissioner.
Report in this line all deposits amounts kept to comply with Office of the Commissioner and or required by any other regulatory agency.
- Line 3.c. Other:
General instructions: Report items representing other interest bearing deposits accounts in financial institutions. Use lines 3.c.1, to 3.c.4, to write accounts names that best describes the type of interest deposit balance held by the reporting entity.

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“Text” Lines 3.c.1. to line 3.c.4. Write the account name and include the quantity in the amount column.

Line 3.c.5. Total Other
Report in this line the sum of lines 3.c.1., 3.c.2., 3.c.3., and 3.c.4. above.

Line 3.d. Total restricted cash and equivalents
Report in this line the sum of lines 3.a., 3.b., and 3.c.5. above.

Continues on next page.

IBE/IFE-SCHEDULE A - Cash and Cash Equivalents - Continued.

Report:

Memoranda Information:

1. Provide the amounts of cash and due from depository institutions by country:

Allocate all cash and equivalent amounts in the following line items. Disclose the most significant amounts in line items C.1 to C.5 and summarize any other remaining amounts, if applicable, on line C.6.

- (a) Puerto Rico
- (b) United States
- (c) Foreign countries:

Report in lines provided below the names and amounts by country.

Name of country:

1. “TEXT”
2. “TEXT”
3. “TEXT”
4. “TEXT”

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5. "TEXT"
 6. Other
Report all other countries and the aggregate amounts in this line.
 7. Total cash and due from depository institutions in foreign countries
 8. Total cash and due from depository institutions (Must equal the sum of line items Memoranda information a +b+c.7.)
-
2. Cash and cash equivalents.
Allocate all cash and equivalent amounts in the following line items.
 - (a) In banks
 - (b) In other IBE's or IFE's
 - (c) In GDB and EDB
 - (d) In cash equivalents (Restricted)
 - (e) Total cash and equivalents
This line must equal memoranda line 8 above.

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IBE/IFE-SCHEDULE B - SECURITIES

General instructions

Schedule B segregates investments in debt and equity securities as investments available for sale and investments held to maturity.

For each type of security, Schedule B requires the amortized cost and the current fair (market) value in columns A and B, respectively.

In accordance with FASB authoritative guidance, investments in debt and equity securities should be classified in one of three categories based on intent and ability. Available for sale, held to maturity and Trading.

Securities available for sale are reported at fair value with unrealized holding gains and losses recorded in other comprehensive income (loss), except for the credit component of other than temporarily impaired securities which is recognized in earnings.

Securities investments held to maturity are reported at amortized cost with unrealized holding gains and losses recorded in other comprehensive income (loss), except for the credit component of other than temporarily impaired securities which is recognized in earnings.

Securities classified as trading securities at cost value should be reported on IBE-1 line item 2.c.

Securities classified under the fair value option are reported at fair value with unrealized holding gains and losses included in the statement of operations should be reported on IBE/IFE-1 line item 2.c.

Realized gains and losses on the sale of investments are determined by using the specific identification method.

Premium and discount accretion are recognized in the interest using the effective interest method. Declines in the fair value of securities below their amortized cost that are determined to be other than temporary are reflected in the earnings as realized impairment losses.

This schedule requires the preparer to report securities Held to Maturity and Available for Sale investments. For each category of investment (Held to Maturity, and Available for Sale) report in column A and in column B the amortized cost and the Fair Value.

An entity that has investments of the same type in both categories Held to Maturity, and Available for Sale, must report in the same line the amounts under both categories.

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Line Item Description and instruction

IBE/IFE-SCHEDULE B - SECURITIES - Continued

Report:

Part I GO'S MBS, ABS, CB and Other debt securities

Line 1 US Treasury securities

Report all U.S. Treasury securities—such as bills, notes and bonds not held for trading under the respective investments category (Held to Maturity and Available for Sale), with the amortized cost in column A and fair value in column B.

Line 2. Obligations of U.S. government sponsored agencies (Exclude mortgage backed securities).

Report all U.S. Government agency obligations (excluding mortgage-backed securities) not held for trading under the respective investments category (Held to Maturity and Available for Sale), with the amortized cost in column A and fair value in column B.

Exclude from U.S. Government agency obligations:

(1) Loans to the Export-Import Bank and to federally-sponsored lending agencies (report in "Other loans," on Schedule C, Part II, item 6).

(2) All holdings of U.S. Government-issued or -guaranteed mortgage pass-through securities, item 2.a, below).

(3) Collateralized mortgage obligations (CMOs), real estate mortgage investments conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments) issued by U.S. Government agencies and corporations (report in item 2.b, below).

(4) Participations in pools of Federal Housing Administration (FHA) Title I loans, which generally consist of junior lien home improvement loans (report as loans in Schedule C, Part II, item 1). Loans secured by residential properties).

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Line Item Description and instruction

IBE/IFE-SCHEDULE B - SECURITIES - Continued

Report:

Line 3 Issued by the state and political subdivisions
Report all investments issued by the state and political subdivisions not held for trading under the respective investments category (Held to Maturity and Available for Sale), with the amortized cost in column A and fair value in column B.

General obligation of a State or political subdivision means:

- (1) An obligation supported by the full faith and credit of an obligor possessing general powers of taxation, including property taxation; or
- (2) An obligation payable from a special fund or by an obligor not possessing general powers of taxation, when an obligor possessing general powers of taxation, including property taxation, has unconditionally promised to make payments into the fund or otherwise provide funds to cover all required payments on the obligation.

Line 4.a. Mortgage backed securities (MBS) -Pass through securities.

Line 4.a.1. Guaranteed by GNMA.
Report investments guaranteed by GNMA under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 4.a.2. Issued by FHLMC.
Report investments issued by FHLMC under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 4.a.3. Issued by FNMA.
Report investments issued by FNMA under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

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IBE/IFE-SCHEDULE B - SECURITIES - Continued

Report:

Line 4.a.4. Other pass through securities

Report in this line all other pass through securities, not included in lines 2.a.1 to 2.a.3., above.

Line 4.b. Other mortgage backed securities

Line 4.b.1. Issued or guaranteed by FNMA, FHLMC or GNMA.

Report investments issued or guaranteed by FNMA, FHLMC or GNMA under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 4.b.2. Collateralized by MBS issued or guaranteed by FNMA, FHLMC or GNMA.

Report investments collateralized by MBS issued or guaranteed by FNMA, FHLMC or GNMA under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 4.b.3. All other mortgage backed securities

Report in this line all other mortgage backed securities, not included in lines 2.b.1 and 2.b.2., above.

Line 5. Asset backed securities

Report in this line all investments in asset backed securities held by the entity as of the reporting date under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 5. Other debt securities

Report all other government securities, excluding equity securities, not reported in lines items above under the respective investments category (Held to Maturity and Available for Sale), with the amortized cost in column A and fair value in column B.

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Line Item Description and instruction

IBE/IFE-SCHEDULE B - SECURITIES - Continued

Report:

Line 7 Equity Securities

Line 7.a. In mutual funds and other

Report in this line all investments in **mutual funds and other** equity securities - U.S. foreign held by the entity as of the reporting date under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 7.b. In equity securities with readily determinable fair values - U.S. and Foreign

Report in this line all investments in equity securities with readily determinable fair values - U.S. foreign held by the entity as of the reporting date under the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 6. Total securities:

Report the sum of all securities (lines 1. to 7.b., above) held by the entity as of the reporting date.

Continues on next page.

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Line Item Description and instruction

IBE/IFE-SCHEDULE B - SECURITIES - Continued

Report:

SECURITIES

Part II Maturities

Line 1. GO'S MBS, ABS, CB and Other debt securities - On investments reported in Part I, lines 1. to 7.b., above segregate and disclose below the investments amounts based on contractual maturities in the line items provided.

Line 1. a. Three months or less - report all investments with maturities due under 3 months.

Line 1. b. Over 3 months to 12 months- report all investments with maturities due falling between 3 months and 12 months.

Line 1. c. Over 1 year to three years- report all investments with maturities due over 1 year to 3 years.

Line 1. d. Over 3 years to 5 years- report all investments with maturities due over 3 years to 5 years.

Line 1. e. Over 5 years- report all investments with maturities due over 5 years.

Line 2. Equity securities

Line 2. a. Investments in mutual funds and other
Report the same amounts included in Part I, line item 7.a. in the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

Line 2. b. In equity securities with readily determinable fair values - U.S. and Foreign
Report the same amounts included in Part I, line item 7.b. in the respective category (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

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IBE/IFE-SCHEDULE B - SECURITIES - Continued

Report:

Line 3. Total investment securities
Report in the total of column A “held to maturity” and in column B “available for sale”, the amortized cost and fair value of line items in Part II, 1.a., 1.b., and 1.c., 1.d., 1.e., 2.a., and 2.b. of this section. The total must be equal to amounts reported on Part I, line item 8 “Total securities”.

MEMORANDA

LINE 1 Pledged securities included in total of Part I, line 8.
Report the aggregate amount of securities that are pledged as collateral and classify the amount in the appropriate columns (Held to Maturity and Available for Sale), the amortized cost in column A and fair value in column B.

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-1- Loans and Lease Financing Receivables

General instructions

Part I, summarizes the details of amounts presented in Part II of this schedule.

Part I. Summary:

- Line 1. Loans and lease financing receivables (Gross amounts):**
- Line 1.a. Loans and leases receivables from customers - Gross amount.**
Report the total of Part II, line item 7, Column B, excluding related party loans and leases which are to be reported on line 1.b. below.
- Line 1.b. Not applicable.**
- Line 1.c. Subtotal of loans and leases.**
Report in this line the sum of lines 1.a. and 1.b. above. (This amount should be agree to the amount reportable on Schedule IBE-1, 4.a.)
- Line 1.d. LESS: Unearned income on loan and leases.**
Report the total of Part II, line item 8, column B only.
- Line 1.e. LESS: Allowance for loan and lease losses.**
Report the total of Part II, line item 9, column B only.
- Line 1.f. Loans and leases, net of unearned income and provision for losses.**
Report in this line the sum of lines 1.c., 1.d., and 1.e. above.
- Line 1.g. Loans and leases held for sale (at lower of cost or market).**
Report all amounts of loans and leases held for sale. The amount is the total entered on Part II, line item 10, Column A. (This amount should be agree to the amount reportable on Schedule IBE-1, 4.b.)
- Line 1.h. Total.** Report in this line the sum of lines 1.f. and 1.g. above. (This amount should be agree to the amount reportable on Schedule IBE-1, 4.f.)

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Line Item Description and instruction

Loans and Lease Financing Receivables – Continued.
Report:

Part II. Details:
Provide in column A and in the respective line items information on Loans held for sale only. Column B should be used to report all other loans and leases.

Line 1. Residential real estate loans - secured by real estate mortgages.

Report in this line item all loans, lines of credit and or any open-end and closed-end loans secured by real estate as evidenced by mortgages or other liens on:

- Nonfarm property units (including vacation homes) (e.g., row houses, townhouses, or the like).
- Mobile homes where (a) state laws define the purchase or holding of a mobile home as the purchase or holding of real property and where (b) the loan to purchase the mobile home is secured by that mobile home as evidenced by a mortgage or other instrument on real property.
- Individual condominium dwelling units and loans secured by an interest in individual cooperative housing units.
- Housekeeping dwellings with commercial units combined where use is primarily residential.

Line 2. Commercial and industrial loans:

Report loans for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured (other than those that meet the definition of a “loan secured by real estate”) or unsecured, single-payment or installment.

Commercial and industrial loans may take the form of direct or purchased loans. Include loans to individuals for commercial, industrial, and professional purposes but not for investment or personal expenditure purposes. Also include the reporting Entity's own acceptances that it holds in its portfolio when the account party is a commercial or industrial enterprise. Exclude all commercial and industrial loans held for trading.

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Line Item Description and instruction

Loans and Lease Financing Receivables – Continued.

Report:

Line 2.a. Construction loans.

Includes, all types of construction activities of residential, commercial and land development loans.

Report in the amount column the aggregate amount all loans secured by real estate, guaranteed by any type of collateral or unsecured made to finance the construction or development of residential, commercial and land projects (i.e., the process of improving land - laying sewers, water pipes, etc.) preparatory to erecting new structures or (b) the on-site construction of industrial, commercial, residential, or farm buildings. For purposes of this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures.

Line 2.b. Loans to finance agricultural production and other loans to farmers.

Includes, all types of agricultural production and other loans to farmers.

Report in the amount column the aggregate amount all loans secured by real estate, guaranteed by any type of collateral or unsecured made to finance agricultural and related activities.

Include such loans whether secured (other than those that meet the definition of a "loan secured by real estate") or unsecured and whether made to farm and ranch owners and operators (including tenants) or to nonfarmers. All other loans to farmers, other than those excluded below, should also be reported in this item.

Include as loans to finance agricultural production and other loans to farmers:

- (1) Loans and advances made for the purpose of financing agricultural production, including the growing and storing of crops, the marketing or carrying of agricultural products by the growers thereof, and the breeding, raising, fattening, or marketing of livestock.
- (2) Loans and advances made for the purpose of financing fisheries and forestries, including loans to commercial fishermen.

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Line Item Description and instruction

Loans and Lease Financing Receivables – Continued.
Report:

Line 2.b. Loans to finance agricultural production and other loans to farmers (Continued).

Include:

- (3) Agricultural notes and other notes of farmers that the Entity has discounted for, or purchased from, merchants and dealers, either with or without recourse to the seller.
- (4) Loans to farmers that are guaranteed by the Farmers Home Administration (FmHA) or by the Small Business Administration (SBA) and that are extended, serviced, and collected by a party other than the FmHA or SBA.
- (5) Loans and advances to farmers for purchases of farm machinery, equipment, and implements.
- (6) Loans and advances to farmers for all other purposes associated with the maintenance or operations of the farm, including purchases of private passenger automobiles and other retail consumer goods and provisions for the living expenses of farmers or ranchers and their families.

Loans to farmers for household, family, and other personal expenditures (including credit cards) that are not readily identifiable as being made to farmers should be reported in Part II, line 4.a., through g., as applicable.

Exclude from loans to finance agricultural production and other loans to farmers:

- (1) Loans that meet the definition of a “loan secured by real estate”
- (2) Loans to farmers for commercial and industrial purposes, e.g., when a farmer is operating a business enterprise as well as a farm
- (3) Loans to farmers for the purpose of purchasing or carrying securities

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Loans and Lease Financing Receivables – Continued.
Report:

Line 2.c. Loans to depository institutions and acceptances of other banks:

Includes, (other than those that meet the definition of a “loan secured by real estate”), all types of loans including overdrafts, to banks, other depository institutions, and other associations, companies, and financial intermediaries whose primary business is to accept deposits and to extend credit for business or for personal expenditure purposes and the bank’s holdings of all bankers acceptances accepted by other banks that are not held for trading. Acceptances accepted by other banks may be purchased in the open market or discounted by the reporting Entity.

Depository institutions cover:

- (1) Commercial banks in the U.S., including:
 - (a) U.S. branches and agencies of foreign banks, U.S. branches and agencies of foreign official banking institutions, and investment companies that are chartered under Article XII of the New York State banking law and are majority-owned by one or more foreign banks; and
 - (b) All other commercial banks in the U.S., i.e., U.S. branches of U.S. banks;
- (2) Depository institutions in the U.S., other than commercial banks, including:
 - (a) credit unions;
 - (b) mutual or stock savings banks;
 - (c) savings or building and loan associations;
 - (d) cooperative banks; and
 - (e) other similar depository institutions; and
- (3) banks in foreign countries, including:
 - (a) foreign-domiciled branches of other U.S. banks; and
 - (b) foreign-domiciled branches of foreign banks.

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Loans and Lease Financing Receivables – Continued.
Report:

Line 2.c. Loans to depository institutions and acceptances of other banks:

Include as loans to depository institutions and acceptances of other banks:

- (1) Loans to depository institutions for the purpose of purchasing or carrying securities.
- (2) Loans to depository institutions for which the collateral is a mortgage instrument and not the underlying real property. Report loans to depository institutions where the collateral is the real estate itself, as evidenced by mortgages or similar liens, in line item 2.d.1. of this Schedule.
- (3) Purchases of mortgages and other loans under agreements to resell that do not involve the lending of immediately available funds or that mature in more than one business day, if acquired from depository institutions.
- (4) The reporting Entity's own acceptances discounted and held in its portfolio when the account party is another depository institution.

Line 2.c.1. To commercial depository institutions including banks in the U.S.

Report in the amount column the aggregate amount all loans secured by real estate, guaranteed by any type of collateral or unsecured made to unrelated depository institutions including banks in the US.

Line 2.c.2. To commercial depository institutions including banks in foreign countries.

Report in the amount column the aggregate amount all loans secured by real estate, guaranteed by any type of collateral or unsecured made to unrelated depository institutions including banks in foreign countries.

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**Loans and Lease Financing Receivables – Continued.
Report:**

- Line 2.d. Other commercial loans:**
Segregate in the following lines all other commercial loans not reported on lines 2.a, 2.b. and 2.c.1 and 2.c.2 above.
- Line 2.d.1. Commercial loans secured by real estate mortgage.**
Include, (other than those that meet the criteria of “construction loans” , agricultural loans and “residential real estate loans”), all other commercial loans secured by real estate and loans to depository institutions where the collateral is the real estate itself, as evidenced by mortgages or similar liens held by the reporting entity.
- Line 2.d.2. Commercial loan-revolving line of credit.**
Include other commercial loan-revolving lines (other than those that meet the definition of “construction loans”, agricultural loans and “residential real estate loans”).
- Line 2.d.3. Under fiduciary guarantees.**
Report commercial loans under fiduciary agreements (other than those that meet the definition of “construction loans”, agricultural loans and “residential real estate loans”).
- Line 2.d.4. Secured by equipment and advances.**
Report commercial loans secured by equipment and advances (other than those that meet the definition of “construction loans”, agricultural loans and “residential real estate loans”).
- Line 2.d.5. With cash collateral.**
Report commercial loans with cash collateral (other than those that meet the definition of “construction loans”, agricultural loans and “residential real estate loans”).
- Line 2.d.6. Other:**
Type below the name that best describes any other the commercial loan held by the reporting entity in the “TEXT” area of lines 2.d.6.a. and 2.d.6.b., and report the respective amounts in the column to the right that were not reported in lines 2.a, 2.b., 2.c.1., 2.c.2., and 2.d. lines 1 to 5 above.

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Loans and Lease Financing Receivables – Continued.
Report:

Lines 2.d.6.a. to 2.d.6.d “TEXT”

Write the account name and include the quantity in the amount column.

Line 2.e. Total commercial and industrial loans.

Report in this line the total of the amounts included in line items 2.a to 2.d.6.b. above.

Line 3. Finance leases.

Report in all outstanding balances relating to all direct financing and leveraged leases on property acquired by the Entity for leasing to lessees for commercial activities and for household, family, and other personal expenditure purposes.

Line 4. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans):

Report in the appropriate sub item all credit extended to individuals for household, family, and other personal expenditures that does not meet the criteria of a “loan secured by real estate”, and the criteria of a “commercial and industrial loan” whether direct loans or purchased paper.

Deposits accumulated by borrowers for the payment of personal loans (i.e., hypothecated deposits) should be netted against the related loans.

Line 4.ab. Mortgage guaranteed loans to individuals.

Report all credit extended to individuals for household, family, and other personal expenditures that does not meet the criteria of a “loan secured by real estate”, and the criteria of a “commercial and industrial loan”.

Line 4.b. Under fiduciary guarantees.

Report loans granted to individuals under fiduciary agreements.

Line 4.c. With cash collateral.

Report loans granted to individuals secured by cash collateral.

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Line Item Description and instruction

Loans and Lease Financing Receivables – Continued.

Report:

Line 4.d. Overdrafts in demand deposits accounts reclassified to loans.

Report all ordinary (unplanned) overdrafts on transaction accounts not associated with revolving credit plans with individuals.

Overdrafts are to be reported as loans and not as negative deposits. Overdrafts in one or more transaction accounts within a group of related transaction accounts of a single type (i.e., demand deposit accounts or NOW accounts, but not a combination thereof) maintained in the same right and capacity by a customer that are established under a bona fide cash management arrangement by this customer are not to be classified as loans unless there is a net overdraft position in the group of related transaction accounts taken as a whole.

Line 4.e. Credit cards.

Report all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards. Report the total amount outstanding of all funds advanced under these credit cards regardless of whether there is a period before interest charges are made.

Report only amounts carried on the books of the reporting Entity as loans that are outstanding on the report date, even if the plan is shared with other banks or organizations and even if accounting and billing are done by a correspondent bank or the accounting center of a plan administered by others.

If the reporting Entity has securitized credit cards and has retained a seller's interest that is not in the form of a security, the carrying value of the seller's interest should be reported as credit card loans in this item. For purposes of these reports, the term "seller's interest" means the reporting Entity's ownership interest in loans that have been securitized, except an interest that is a form of recourse or other seller-provided credit enhancement. Seller's interests differ from the securities issued to investors by the securitization structure.

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IBE/IFE-SCHEDULE C-1

Loans and Lease Financing Receivables – Continued.

Report:

Line 4.e. Credit cards - Continued.

The principal amount of a seller's interest is generally equal to the total principal amount of the pool of assets included in the securitization structure less the principal amount of those assets attributable to investors, i.e., in the form of securities issued to investors.

Do not net credit balances resulting from overpayments of account balances on credit card accounts against the debit balances of other credit card accounts.

Exclude from credit cards:

- (1) Credit extended under credit card plans to business enterprises
- (2) All credit extended to individuals through credit cards that meet the definition of a "loan secured by real estate"
- (3) All credit extended to individuals for household, family, and other personal expenditures under prearranged overdraft plans.

If the Entity acts only as agent or correspondent for other banks or nonbank corporations and carries no credit card plan assets on its books, enter a "zero" or the word "none." Entitys that do not participate in any credit card plan should also enter a zero or the word "none."

Line 4.f. Other revolving credit plans

Report all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards. Report the total amount outstanding of all funds advanced under these revolving credit plans regardless of whether there is a period before interest charges are made.

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Loans and Lease Financing Receivables – Continued.

Report:

Line 4.f. Other revolving credit plans - Continued.

Do not net credit balances resulting from overpayments of account balances on other revolving credit plan accounts against the debit balances of other revolving credit plan accounts.

Exclude from other revolving credit plans:

- (1) All ordinary (unplanned) overdrafts on transaction accounts not associated with revolving credit plans
- (2) Credit extended to individuals for household, family, and other personal expenditures arising from credit cards.

Line 4.g. Other consumer loans (includes single payment installment loans).

Report all other loans to individuals for household, family, and other personal expenditures (other than those that meet the definition of a “loan secured by real estate” and other than those for purchasing or carrying securities). Include loans for such purposes as:

- (1) purchases of household appliances, furniture, trailers, and boats;
- (2) repairs or improvements to the borrower's residence (that do not meet the definition of a “loan secured by real estate”);
- (3) educational expenses, including student loans;
- (4) medical expenses;
- (5) personal taxes;
- (6) vacations;
- (7) consolidation of personal (nonbusiness) debts;
- (8) purchases of real estate or mobile homes to be used as a residence by the borrower's family (that do not meet the definition of a “loan secured by real estate”); and
- (9) other personal expenditures.

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-1

Loans and Lease Financing Receivables – Continued.

Report:

Line 4.g. Other consumer loans (includes single payment installment loans) - Continued.

Other consumer loans may take the form of:

- (1) Installment loans, demand loans, single payment time loans, and hire purchase contracts (for purposes other than retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use), and should be reported as loans to individuals for household, family, and other personal expenditures regardless of size or maturity and regardless of whether the loans are made by the consumer loan department or by any other department of the Entity.
- (2) Retail installment sales paper purchased by the Entity from merchants or dealers (other than dealers of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks), finance companies, and others.

Exclude from other consumer loans:

- (1) All direct and purchased loans, regardless of purpose, that meet the definition of a loan secured by real estate” as evidenced by mortgages, deeds of trust, land contracts, or other instruments, whether first or junior liens (e.g., equity loans, second mortgages), on real estate
- (2) Loans to individuals that do not meet the definition of a “loan secured by real estate” for the purpose of investing in real estate when the real estate is not to be used as a residence or vacation home by the borrower or by members of the borrower's family
- (3) Loans to individuals for commercial, industrial, and professional purposes and for "floor plan" or other wholesale financing
- (4) Loans to individuals for the purpose of purchasing or carrying securities
- (5) Loans to individuals for investment (as distinct from commercial, industrial, or professional) purposes other than those for purchasing or carrying securities

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-1

Loans and Lease Financing Receivables – Continued.

Report:

Line 4.h. Total loans to individual - consumer loans.
Report in this line the total of the amounts included in line items 4.a to 4.g. above.

Line 5. Loans to foreign governments and official institutions (including foreign central banks.)
Report all loans (other than those that meet the definition of a “loan secured by real estate”), including planned and unplanned overdrafts, to governments in foreign countries, to their official institutions, and to international and regional institutions.

Include:

- (1) Bankers acceptances accepted by the reporting Entity and held in its portfolio when the account party is a foreign government or official institution, including such acceptances for the purpose of financing dollar exchange. Exclude acceptances that are held for trading.
- (2) Loans to foreign governments, their official institutions, and international and regional institutions (other than those that meet the definition of a “loan secured by real estate”), including planned and unplanned overdrafts.

Exclude from loans to foreign governments and official institutions:

- (1) Loans to nationalized banks and other banking institutions owned by foreign governments and not functioning as central banks, banks of issue, or development banks
- (2) Loans to U.S. branches and agencies of foreign official banking institutions
- (3) Loans to foreign-government-owned nonbank corporations and enterprises

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-1

Loans and Lease Financing Receivables – Continued.

Report:

Line 6. Other loans. (i.e. Loans to Export-Import Bank and Federally sponsored lending agencies)
Report any other loan held by the reporting entity with the respective amount in the column to the right that were not reported in lines items 1, to 5 above.

Line 7. Total gross loans and lease financing receivables.
Report in this line the total of the amounts included in Part II, line items 1.a to 6. above.

Line 8. LESS: Unearned income.
Report in this line the aggregate unearned income on loans included on Part II, line items 1 to 6. above. Only the total on Column B should be reported on Part I, line 1.d.

Line 9. LESS: Allowance for loans losses.
Report in this line the total of the amounts included in Part II, line items 1 to 6. above. Only the total on Column B should be reported on Part I, line 1.e.

Line 10. Total loans and leases, net of unearned income and allowance for loan losses.
Report in this line the total of the amounts included in Part II, line item 7 less lines 8 and 9 above.

The total on Column A should be reported on Part I, line 1.g. and the total on Column B should be reported on Part I, line 1.f.

The total of Columns A and B should equal the total reported on Part 1, line 1.h.

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-2

**Loans and Lease Financing Receivables - Memoranda:
Report:**

- Line 11. Details of allowance for loan losses:**
Allowance for loan losses consist of the following.
Report details in the following line items.
- Line 11. a. Balance at the beginning of the year / fiscal period**
Report in this line initial balance of the allowance at the beginning of the current reporting year/period
- Line 11. b. Provision for losses**
Report in this line the increases to the allowance since the beginning of the year up to the date of this report.
- Line 11. c. Less: Amount charged off**
Report in this line (as a negative number) the all amounts written off as losses since the beginning of the year up to the date of this report.
- Line 11. d. Recoveries**
Report in this line the all amounts recovered and collected (written off in previous periods) since the beginning of the year up to the date of this report.
- Line 11. e. Total allowance for loan losses**
Report in this line the sum of lines 11.a. to 11.d., above. This amount should be reported as a negative amount in Part II, line 9, above.
- Line 12. Loan information. Statistics**
Report details in the following line items.
- Line 12. a. Average total loan and leases during the year up to the reporting date**
Report in this line average of monthly loan and leases balances held by the entity since the beginning of the reporting year to the date of the current report.

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-2

**Loans and Lease Financing Receivables - Memoranda:
Report:**

- Line 13. Details of related party loans.**
Report details in the following line items.
- Line 13. a. Aggregate amounts of extension of credit to all executives officers, directors, principal shareholders, and their related interest**
Report in this line the total outstanding loan and leases balances granted by the entity to executives officers, directors, principal shareholders, and their related interest as of the date of the current report.
- Line 13. b. Number of executives officers, directors, principal shareholders, and their related interest to whom extension of credit have been granted by the reporting Entity in excess of 5% of the total capital as defined for this purpose by agency regulations**
Report in this line number of persons that meets the above criteria as of the reporting date.
- Line 14. Loans and Leases concentration by country**
Provide in the following line items of the amounts of loans and leases by country:
Disclose the most significant amounts in line items C.1 to C.5 and summarize any other remaining amounts, if applicable, on line C.6.
- a. Puerto Rico
 - b. United States
 - c. Foreign countries:
Report in lines provided below the names and amounts by country.
Name of country:
- 14.c.1. to 14.c.10
“TEXT”.....
Write the country name and include the quantity in the amount column.
- 14.c.11
Other. Report all other countries and the aggregate amounts in this line

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-2

**Loans and Lease Financing Receivables - Memoranda:
Report:**

Line 14. Loans and Leases concentration by country - Continued.

Line 14.c.12. Total loans and leases in foreign countries

Line 14.d. Total loans and leases (Must equal the sum reported in Part II,
line item 10.)

Line 15. Past Due and nonaccrual loans and leases.
Report in the respective subcategory line provided below, loans and leases
that are past due and still accruing interest and those classified
“nonaccrual” not accruing interest.

Line 15.a. Past due 30 through 89 days and accruing

Line 15.b. Past due 90 days or more and accruing

Line 15.c. Nonaccrual

Line 15.d. Total Past Due and nonaccrual loan and leases
The sum of lines 15.a. to 15.c., above.

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-3

Investment in mortgages, loans, debt instruments and in other financial activities (excluding investments in the IBE's own portfolio of marketable securities).

General instructions:

These line items in this schedule are related to Articles that are applicable to the IFE's, under the IFE Law and Regulations, as amended. However, IBE's must report any assets invested and held as of the report date, in any of the activities listed in this schedule.

The Schedule provides for two (2) columns A and B.

Report in column A, assets are related to the entity's activities in Puerto Rico
Report in column B, All the entity's assets in these activities (include assets held in Puerto Rico, U.S., and in foreign countries)

Segregate the entity's assets invested in the following financial activities and report the amounts (in the appropriate line item and column).

(Exclude investments in the IBE/IFE's own portfolio of marketable securities).

a	Loans activities	Art 12a.4
b	Letters of credit activities	Art 12a.5
c	Money orders, bills of exchange and underwriting	Art 12a.6 & 9
d	Banking transactions activities	Art 12a.8
e	Trade financing of raw and finished products activities	Art 12a.10
f	Other activities of financial nature outside PR	Art 12a.11
g	Fiduciary activities	Art 12a.12
h	Acquisition and lease of personal property activities	Art 12a.13
i	Securities for transactions activities outside PR	Art 12a.14
j	Clearinghouse activities	Art 12a.15
k	Organization and management services activities	Art 12a.16 & 24
l	Other activities expressly authorized	Art 12a.17
m	Participation in loans granted / guaranteed by GDB or EDB	Art 12a.18 Art
n		12a.19
o	Purchase of Non-performing loans	Art 12a.20
p	Financing projects of high priority	Art 12a.21
q	Financing services to other IFE's or foreign persons	Art 12a.23

Refer to the IFE's Law and Regulations for the definition of these activities.

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Line Item Description and instruction

IBE/IFE-SCHEDULE C-3

Investment in mortgages, loans, debt instruments and in other financial activities (excluding investments in the IBE's own portfolio of marketable securities).

Continued.

Line 1.r. Total investment in mortgages, loans, debt instruments and other.
Report the total of line items 1.a to 1.q, for columns A and B.

MEMORANDA INFORMATION:

Report the number of loans.

The number of loans means the number of mortgages, loans, debts instruments and other instruments held in association with the amount reported in line 1.r., above.

A) Investment in mortgages, loans and other debt instruments
Report the total number of loans applicable to each category listed below:

Line A.1 In mortgages, loans and other secured by real estate

Line A.2 In unsecured loans

Line A.3 Other (excluding securities)

Line A.4 Total number of loans invested in mortgages, loans and other
Report the sum of limes A.1. to A.3., above.

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Line Item Description and instruction

IFE-SCHEDULE D - Investment in Real Estate

General instructions:

These line items in this schedule are related to (Act 273, Art.12.a.20) that is applicable to the IFE's, under the IFE Law and Regulations, as amended. However, IBE's must report any real estate assets held as of the report date, in any of the line items listed in this schedule. Segregate the entity's real estate assets and report them in the respective line item category and report the required amounts.

Report:

Line 1 Investment in Real Estate

Line 1 of this section provides for two (2) columns. In the first one report the Fair Value and in the second one "Amount" report the Carrying cost. The carrying cost, represents the amount recorded on the entity's books for financial statement purposes.

Line 1.a. Real estate available for sale.

Segregate and report in each line item below, investments held in real estate that have been classified by the entity as available for sale.

Line 1.a.1 Land

Line 1.a.2 Commercial properties

Line 1.a.3 Residential properties

Line 1.a.4 Total real estate available for sale

Report the sum of lines 1.a.1. to 1.a.3., above for both columns, Fair Value, and Amount (Representing the carrying cost as defined previously herein.)

Line 1.b. Real estate held for development and improvements

Segregate and report in each line item below, investments held in real estate that the entity intends hold to perform future development or improvements on them.

Line 1.b.1 Land

Line 1.b.2 Commercial properties held for development or improvements

Line 1.b.3 Residential properties held for improvements

Line 1.b.4 Total real estate held for future development and improvements. Report the sum of lines 1.b.1. to 1.b.3., above.

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IFE-SCHEDULE D - Investment in Real Estate - Continued.

Line 1.c. Real estate under rental administration-Net of accumulated depreciation.

Segregate and report in each line item below, investments held in real estate that the entity has held with the purpose of managing it for profit.

Line 1.c.1 Land

Line 1.c.2 Commercial properties

Line 1.c.3 Residential properties

Line 1.c.4 Less: accumulated depreciation

Line 1.c.5 Total real estate held under rental administration, net of depreciation
Report the sum of lines 1.c.1. to 1.c.4., above.

Line 1.d. Total investment in real estate (Sum of 1.a.4, 1.b.4 and 1.c.5)
Transfer line 1.d. total, to Schedule E-1, line 3.a.

MEMORANDA INFORMATION

Line 1 Expenses related to real estate management and services
Relates to line 1.c., above.

Line 1.a. Report expenses related to real estate management and services
Segregate and report the management expenses incurred by the entity in the following line items.

- 1 Selling related expenses (If any, for assets sold)
- 2 Development related expenses (Incurred in preparing the properties for sale or for management administration)
- 3 Rental related expenses (Related to properties that are generating rental revenues)
- 4 Service related expenses (i.e. Related in management of other properties not owned by the entity or in providing other services incidental to the rental of properties.)
- 5 Mortgages and other interest expenses
- 6 Real estate and other taxes
- 7 Other expenses (Report every other expense not listed above line items)
- 8 **Total expenses related to real estate management and services**
The sum of lines 1.a.1., to 1.a.7, above.

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Line Item Description and instruction

IFE-SCHEDULE E-1

General instructions

Schedule is the first of three pages E-1, E-2, and E-3 to expand (provide breakdown) of some line items reportable on IBE / IFE -1 "ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY" and IBE / IFE -2 "INCOME AND EXPENSES".

The report provides for (17) lines (boxes) with line spaces identified as "Text" lines.

Schedule E-1 and E-2

Report in Schedule 1 and 2, only if, any of the line items in the schedule represents more than 10% of TOTAL ASSETS (IBE/IFE-1, line 14) and provide details in the "Text lines" spaces of Schedule E-1 and E-2.

Schedule E-3

Report in Schedule 3, only if, any of the "INCOME AND EXPENSES", line items in the schedule, represents more than 10% of TOTAL NET INTEREST INCOME AND NON-INTEREST INCOME (IBE/IFE-2, Line 7) and provide details in the "Text lines" spaces of Schedule E-3.

Use the "Text" lines to provide more details of amount reported on IBE / IFE -1 and on IBE / IFE -2 (i.e., use the account type, nature or activity) and report the corresponding amount for the account in the column to the right.

Each box must be totaled with the quantities reported in the amount column.

Continues.

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Line Item Description and instruction

IFE-SCHEDULE E-1 -Explanations

Provide details of the following line items reported in the IBE/IFE-1 Balance sheet, only if, the amount in the line referred to below represents more than 10% of the total assets or IBE/IFE-1 line 14.

Balance Sheet

Assets, lines to report:

- IBE/IFE -1 line 6** **Due from home office account, loans to parent and related parties**
Segregate as follows:
Parent company
Affiliated companies
Related parties
- IBE/IFE -1 line 7** **Other receivables**
Segregate as follows:
Rents from tenants
Notes and other receivables
| TEXT (include all other receivables not included in lines above) |
- IBE/IFE -1line 10** **Other real estate owned** (Use the two "text" lines provided to disclose and report other highest dollar amount of real estate owned not reported on schedule D)
From Schedule D, line 1.d (This line is autofilled)
| TEXT (Include any other not reported on Schedule D)
| TEXT (Include any other not reported on Schedule D) |
- IBE/IFE -1 line 11** **Investment in subsidiaries** (Use the three "text" lines provided to disclose and report the names of the entity's subsidiaries with the highest dollar amount.)
- IBE/IFE -1 line 12** **Intangible assets** (Use the three "text" lines provided to disclose and describe the intangibles with the highest dollar amount.)
- IBE/IFE -1 line 13** **Other Assets** (Use the three "text" lines provided to disclose and report other assets with the highest dollar amount.)

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Line Item Description and instruction

IFE-SCHEDULE E-2 -Explanations

Provide details of the following line items reported in the IBE/IFE-1 Balance sheet, **only if**, the amount in the line referred to below **represents more than 10% of the total assets or IBE/IFE-1 line 14.**

Balance Sheet

Liabilities and Equity, lines to report:

- IBE/IFE-1, line 15.a. **Deposits - Interest bearing**
Segregate as follows:
Deposits from banks , other IFE's and non residents of PR
Deposits from GDB or EDB
Use "TEXT" lines c., d., and e. to include all other deposit categories not included in lines above.
- IFE-1, line 19 **Due to home office, borrowing from parent, affiliates and related parties**
"TEXT" (Use the five "text" lines provided to disclose and report, if any, amounts due to the entity's parent company, affiliates and related parties with the highest dollar amount.) Provide the names of the Parent company, affiliates, and related companies with the highest dollar amount.)
- IFE - 1, line 20 **Other borrowed money**
Segregate as follows:
Mortgage notes payable
Notes payable
Lines of credit
Use "TEXT" lines d., and e. to include all other borrowing categories with the highest dollar amount, not included in lines above.
- IFE - 1, line 25 **Other liabilities**
"TEXT" (Use the five "text" lines provided to disclose and report amounts of entity's other liabilities with the highest dollar amount.
- IFE - 1, line 34 **Other equity capital components**
"TEXT" (Use the five "text" lines provided to disclose and report amounts of entity's other equity capital components with the highest dollar amount.

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Line Item Description and instruction

IFE-SCHEDULE E-3 EXPLANATIONS

Provide details of the following line items reported in the IBE/IFE-2 Income and Expenses, only if, the amount in the line referred to below represents more than 10% of the total assets or IBE/IFE-2 line 5.

Income and Expenses, lines to report:

- IFE-2, line 1.a. Interest and fee income on loans**
"TEXT" (Use the seven "text" lines provided to disclose and report the categories of interest and fees earned with the highest dollar amount.
- IFE-2, line 1.c. Interest on balances with depository Institutions**
"TEXT" (Use the seven "text" lines provided to disclose and report names of depository Institutions with the highest dollar amount.
- IFE-2, line 1.d. Interest and dividend income on securities and investments**
"TEXT" (Use the seven "text" lines provided to disclose and report the categories of interest and dividends with the highest dollar amount.
- IFE -2, Line 4(d)4. Other non-interest income (expense) and net gains (loss)**
Use line a., to report rental income
"TEXT" (Use the other six "text" lines provided to disclose and report other categories of non-interest income (expense) with the highest dollar amount.
- IFE-2, Line 6.g. Other administrative and general expenses**
Use line a., to report the total of expenses related to real estate management and services from Schedule D, Memoranda line 8.
"TEXT" (Use the other six "text" lines provided to disclose and report other categories of other administrative and general expenses with the highest dollar amount, not included in line a., above.
- IFE-2, Line 13 Extraordinary items and other adjustments, net of income taxes**
"TEXT" (Use the other seven "text" lines provided to disclose and report extraordinary items or adjustments categories with the highest dollar amount.

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Line Item Description and instruction

IBE/IFE-SCHEDULE RC-T – FIDUCIARY AND RELATED SERVICES

General Instructions

This schedule should be completed on a fully consolidated basis, i.e., including any trust company subsidiary (or subsidiaries) of the reporting institution.

Item No. Caption and Instructions

- 1 Does the institution have fiduciary powers?** Federally-chartered institutions granted trust powers by the OCC to administer accounts in a fiduciary capacity should answer "Yes." State-chartered institutions should answer "Yes" if (a) the state has granted trust powers to the institution to offer fiduciary services as defined by the state **and** (b) the institution's federal supervisory agency (the FDIC or the Federal Reserve) has granted consent to exercise the trust powers (see Sections 333.2 and 333.101 of the FDIC's regulations and Federal Reserve Regulation H). Institutions with trust company subsidiaries should also answer "Yes." Institutions responding "No" should not complete the remainder of this schedule. Fiduciary capacity generally means trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, custodian under a uniform gifts to minors act, investment adviser (if the institution receives a fee for its investment advice), any capacity in which the institution possesses investment discretion on behalf of another, or any other similar capacity.
- 2 Does the institution exercise the fiduciary powers it has been granted?** Institutions exercising their fiduciary powers should respond "Yes." Exercising fiduciary powers means that an institution, or a trust company subsidiary of the institution, serves in a fiduciary capacity as defined in the instructions for item 1 of this schedule.
- 3 Does the institution have fiduciary or related activity (in the form of assets or accounts) to report in this schedule?** Institutions (including their trust company subsidiaries) with fiduciary assets, accounts, income, or other reportable fiduciary related services should respond "Yes." Institutions responding "No" should not complete the remainder of this schedule.

Reportable fiduciary and related services include activities that do not require trust powers but are incidental to fiduciary services. Specifically, this includes custodial services for assets held by the institution in a fiduciary capacity. An institution should report custodial activities that are offered through the fiduciary business unit or through another distinct business unit that is devoted to institutional custodial services. Institutions should exclude those 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 with fiduciary activities that are limited to only land trusts and/or custodial activity for mortgage-backed securities (such as GNMA or FNMA) should respond "No."

If the answer to item 3 is "Yes," complete the applicable items of Schedule RC-T, as follows:
Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than

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\$250 million (as of the preceding December 31) or with gross fiduciary and related services

3 (Cont.) income greater than 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 22 on the FFIEC 041 quarterly; items 4 through 22.a on the FFIEC 031 quarterly;
- Items 23 through 26 annually with the December report;
- Memorandum item 3 quarterly; and
- Memorandum items 1, 2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) of less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 13 annually with the December report; and
- Memorandum items 1 through 3 annually with the December report.

In addition, institutions with total fiduciary assets greater than \$100 million but less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must also complete Memorandum item 4 annually with the December report.

Fiduciary and Related Assets

Institutions should generally report fiduciary and related assets using their market value as of the report date. While market value quotations are readily available for marketable securities, many financial and physical assets held in fiduciary accounts are not widely traded or easily valued. If the methodology for determining market values is not set or governed by applicable law (including the terms of the prevailing fiduciary agreement), the institution may use any reasonable method to establish values for fiduciary and related assets for purposes of reporting on this schedule. Reasonable methods include appraised values, book values, or reliable estimates. Valuation methods should be consistent from reporting period to reporting period. This "reasonable method" approach to reporting market values applies both to financial assets that are not marketable and to physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods.

Only those Individual Retirement Accounts, Keogh Plan accounts, Health Savings Accounts, and similar accounts offered through a fiduciary business unit of the reporting institution should be reported in Schedule RC-T. When such accounts are not offered through an institution's fiduciary business unit, they should not be reported in Schedule RC-T. Accounts that consist solely of deposits in the bank itself should not be reported in Schedule RC-T.

If two institutions are named co-fiduciary in the governing instrument, both institutions should report the account. In addition, where one institution contracts with another for fiduciary or related services (i.e., Bank A provides custody services to the trust accounts of Bank B, or Bank A provides investment management services to the trust accounts of Bank B), both institutions should report the accounts in their respective capacities.

Exclude unfunded insurance trusts, testamentary executor appointments, and any other arrangements representing potential future fiduciary accounts.

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Asset values reported on this schedule should generally exclude liabilities. For example, an employee benefit account with associated loans against account assets should be reported gross of the outstanding

Fiduciary and Related Assets (cont.)

loan balances. As another example, an account with a real estate asset and corresponding mortgage loan should be reported gross of the mortgage liability. However, there are two exceptions. First, for purposes of this schedule, overdrafts should be netted against gross fiduciary assets. Second, the fair value of derivative instruments, as defined in ASC Topic 815, Derivatives and Hedging (formerly FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended), should be included in (i.e., netted against) gross assets even if the fair value is negative.

Securities borrowing/lending transactions should be reflected as sales or as secured borrowings according to ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," as amended). A transferee ("borrower") of securities generally is required to provide "collateral" to the transferor ("lender") of securities. When such transactions do not qualify as sales, securities "lenders" and "borrowers" should account for the transactions as secured borrowings in which cash (or securities that the holder is permitted by contract or custom to sell or repledge) received as "collateral" by the securities "lender" is considered the amount borrowed and the securities "loaned" are considered pledged against the amount borrowed. For purposes of this schedule, 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.

In the Fiduciary and Related Assets section, the market value of Collective Investment Fund (CIF) units should be reported along with individual participant accounts in the Column and Item that corresponds to each participant. The aggregate amount of a CIF that is operated by an institution should NOT also be reported as a separate, additional account in the Fiduciary and Related Assets section of this schedule.

Managed Assets – Column A

Report the total market value of assets held in managed fiduciary accounts. An account should be categorized as managed if the institution has investment discretion over the assets of the account. Investment discretion is defined as the sole or shared authority (whether or not that authority is exercised) to determine what securities or other assets to purchase or sell on behalf of the fiduciary related account. An institution that delegates its authority over investments and an institution that receives delegated authority over investments are BOTH deemed to have investment discretion.

Therefore, whether an account where investment discretion has been delegated to a registered investment adviser, whether affiliated or unaffiliated with the reporting institution, should be reported as a managed account depends on whether the delegation of investment authority to the registered investment adviser was made pursuant to the exercise of investment discretion by the reporting institution. If so, the account is deemed to be a managed account by the reporting institution. Otherwise, the account would be a non-managed account for purposes of Schedule RC-T.

An entire account should be reported as either managed or non-managed based on the predominant responsibility of the reporting institution.

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Non-Managed Assets – Column B

Report the total market value of assets held in non-managed fiduciary accounts. An account should be categorized as non-managed if the institution does not have investment discretion. Those accounts for which the institution provides a menu of investment options but the ultimate selection authority remains with the account holder or an external manager should be categorized as non-managed. For example, an institution that offers a choice of sweep vehicles is not necessarily exercising investment discretion. The process of narrowing investment options from a range of alternatives does not create a managed fiduciary account for the purposes of this schedule. For example, a 401(k) employee benefit plan where the participants select investments from a list of investment options should be reported as non-managed for the purposes of this schedule.

Fiduciary and Related Assets (cont.)

Number of Managed Accounts – Column C

Report the total number of managed fiduciary accounts.

Number of Non-Managed Accounts – Column D

Report the total number of non-managed fiduciary accounts.

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4 Personal trust and agency accounts. Report the market value and number of accounts for all testamentary trusts, revocable and irrevocable living trusts, other personal trusts, and non-managed personal agency accounts. Include accounts in which the institution serves as executor, administrator, guardian, or conservator. Exclude personal investment management and investment advisory agency accounts, which should be reported in Schedule RC-T, item 7. Also exclude Keogh Plan accounts, Individual Retirement Accounts (IRAs), Health Savings Accounts, and other pension or profit-sharing plans for self-employed individuals, which should be reported in Schedule RC-T, item 5. Personal accounts that are solely custody or safekeeping should be reported in item 11 of this schedule.

5 Employee benefit and retirement-related trust and agency accounts:

5.a Employee benefit – defined contribution. Report the market value and number of accounts for all employee benefit defined contribution accounts in which the institution serves as either trustee or agent. Include 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. Employee benefit accounts for which the institution serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Employee benefit accounts that are solely custody and safekeeping accounts should be reported in Schedule RC-T, item 11.

5.b Employee benefit – defined benefit. Report the market value and number of accounts for all employee benefit defined benefit plans in which the institution serves as either trustee or agent. Employee benefit accounts for which the institution serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Employee

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benefit accounts that are solely custody and safekeeping accounts should be reported in Schedule RC-T, item 11.

- 5.c Other employee benefit and retirement-related accounts.** Report 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. Include 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 reported 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 reported 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 reported in Schedule RC-T, item 11. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts should also be reported in Schedule RC-T, item 13.
- 6. Corporate trust and agency accounts.** Report the market value of assets held by the institution for all corporate trust and agency accounts. Report 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 reported in Schedule RC-T, item 11.
- 7. Investment management and investment advisory agency accounts.** Report 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 reported as managed. Investment advisory agency accounts should be reported as non-managed. Investment management and investment advisory agency accounts maintained for foundations and endowments should be reported in Schedule RC-T, 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.

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8. **Foundation and endowment trust and agency accounts.** Report 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 thresholds, 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 a foundation's or endowment's employees should be reported in Schedule RC-T, item 5. Accounts that are solely custodial or safekeeping should be reported in Schedule RC-T, item 11.
- 9 **Other fiduciary accounts.** Report 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 reported in Schedule RC-T, item 11.
- 10 **Total fiduciary accounts.** Report the sum of items 4 through 9.
11. **Custody and safekeeping accounts.** Report the market value and number of accounts for all personal and institutional custody and safekeeping accounts held by the institution. Safekeeping and custody accounts are a type of agency account in which the reporting institution performs one or more specified agency functions but the institution is not a trustee and also is not responsible for managing the asset selection for account assets. These agency services may include holding assets, processing income and redemptions, and other recordkeeping and customer reporting services. For employee benefit custody or safekeeping accounts, the number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Include accounts in which the institution serves in a sub-custodian capacity. For example, where one institution contracts with another for custody services, both institutions should report the accounts in their respective capacity. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts should also be reported in Schedule RC-T, item 13.

Accounts in which the institution serves as trustee or in an agency capacity in addition to being custodian should be reported in the category of the primary relationship. For example, personal trust accounts in which the institution also serves as custodian should be reported as personal trust accounts and not as custodian accounts. An institution should report an account only once in Schedule RC-T, items 4 through 9 and 11.

Report custodian accounts that are incidental to fiduciary services. Include those custody and safekeeping accounts that are administered by the trust department, and those that are administered in other areas of the institution through an identifiable business unit that focuses on offering fiduciary related custodial services to institutional clients. Exclude those custodial and escrow activities related to commercial bank services such as hold-in-custody repurchase assets, securities safekeeping services for correspondent banks, escrow assets held for the benefit of third parties, safety deposit box assets, and any other similar commercial arrangement.

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NOTE: Item 12 is applicable only to banks filing reports to the Office of the Commissioner.

- 12. Fiduciary accounts held in foreign offices.** Report the market value and number of accounts included in Schedule RC-T, items 10 and 11, above that are attributable to accounts held in foreign offices.
- 13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts.** Report 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

The income categories in Schedule RC-T, items 14 through 20, correspond to the fiduciary asset categories described in Schedule RC-T, items 4 through 11, above. For a detailed definition of the categories, please refer to the corresponding account descriptions. Income and expenses should be reported on an accrual basis. Institutions may report income and expense accounts on a cash basis if the results would not materially differ from those obtained using an accrual basis.

Fiduciary and related services income should be reported on a gross basis in Schedule RC-T, items 14 through 22. Net fiduciary settlements, surcharges, and other losses should be reported on a net basis in Schedule RC-T, item 24, and in Schedule RI, item 7.d, "Other noninterest expense." Net losses are gross losses less recoveries (including those from insurance payments). If the institution enters into a "fee reduction" or "fee waiver" agreement with a client as the method for reimbursing or compensating the client for a loss on the client's fiduciary or related services account arising from an error, misfeasance, or malfeasance, the full amount of this loss must be recognized on an accrual basis and included in Schedule RC-T, item 24, and in the appropriate subitem and column of Schedule RC-T, Memorandum item 4. An institution should not report such a loss as a reduction of the gross income from fiduciary and related services it reports in Schedule RC-T, items 14 through 22, and Schedule RI, item 5.a, "Income from fiduciary activities," in the current or future periods when the "fee reduction" or "fee waiver" takes place. (See the example after the instructions to Schedule RC-T, Memorandum item 4.e.)

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- 14 Personal trust and agency accounts.** Report gross income generated from personal trust and agency accounts as defined for item 4 of this schedule.
- 15 Employee benefit and retirement-related trust and agency accounts:**
- 15.a Employee benefit – defined contribution.** Report gross income generated from defined contribution employee benefit trust and agency accounts as defined for item 5.a of this schedule.
- 15.b Employee benefit – defined benefit.** Report gross income generated from defined benefit employee benefit trust and agency accounts as defined for item 5.b of this schedule.
- 15.c Other employee benefit and retirement-related accounts.** Report gross income generated from other employee benefit and retirement-related accounts as defined for item 5.c of this schedule.
- 16 Corporate trust and agency accounts.** Report gross income generated from corporate trust and agency relationships as defined for item 6 of this schedule.
- 17 Investment management and investment advisory agency accounts.** Report gross

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income generated from investment management and investment advisory agency accounts as defined for item 7 of this schedule. Also include income generated from investment advisory activities when the assets are not held by the institution.

- 18 Foundation and endowment trust and agency accounts.** Report gross income generated from foundation and endowment trust and agency accounts as defined for item 8 of this schedule.
- 19 Other fiduciary accounts.** Report gross income generated from other trust and agency accounts as defined for item 9 of this schedule.
- 20 Custody and safekeeping accounts.** Report gross income generated from custody and safekeeping agency accounts as defined for item 11 of this schedule.
- 21 Other fiduciary and related services income.** Report all other gross fiduciary related income that cannot properly be reported in Schedule RC-T, items 14 through item 20, above. 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.
- 22 Total gross fiduciary and related services income.** Report the sum of items 14 through 21. This item must equal Schedule RI, item 5.a, "Income from fiduciary activities."

NOTE: Item 22.a is applicable only to banks filing reports to the Office of the Commissioner.

- 22.a Fiduciary and related services income – foreign offices.** Report 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.
- 23 Less: Expenses.** Report 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

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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.

- 24 Less: Net losses from fiduciary and related services.** Report net losses resulting from fiduciary and related services. Net losses are gross losses less recoveries. Gross losses include settlements, surcharges, and other losses arising from errors, misfeasance, or malfeasance on fiduciary and related services accounts and should reflect losses recognized on an accrual basis. Recoveries may be for current or prior years' losses and should be reported when payment is actually realized. This item must equal Schedule RC-T, Memorandum item 4.e, sum of columns A and B minus column C. For further information, see the instruction to Schedule RC-T, Memorandum item 4.
- 25 Plus: Intracompany income credits for fiduciary and related services.** If applicable to the reporting institution, report 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.
- 26 Net fiduciary and related services income.** Report the total from item 22 less the amounts reported in item 23 and item 24 plus the amount reported in item 25.

Memoranda

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- 1 Managed assets held in fiduciary accounts.**
Column Instructions for Memorandum items 1.a through 1.p:

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, 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

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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.** Report all noninterest-bearing deposits. Report noninterest-bearing deposits of both principal and income cash.
- 1.b Interest-bearing deposits.** Report 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. Report interest-bearing deposits of both principal and income cash.
- 1.c U.S. Treasury and U.S. Government agency obligations.** Report 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.
- 1.d State, county, and municipal obligations.** Report 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.** Report 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.
- 1.f Equity mutual funds.** Report 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.** Report 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.

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- 1.h Common trust funds and collective investment funds.** Report 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.** Report 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.
- 1.j Other notes and bonds.** Report 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).
- 1.k Investments in unregistered funds and private equity investments.** Report 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."
- 1.l Other common and preferred stocks.** Report 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

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Schedule RC-T, Memorandum item 1.k, above).

- 1.m Real estate mortgages.** Report 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.** Report 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.
- 1.o Miscellaneous assets.** Report 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.** Report 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.
- 1.q Investments of managed fiduciary accounts in advised or sponsored mutual funds.** Report 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.
- 2 Corporate trust and agency accounts:**
- 2.a Corporate and municipal trusteeships.** Report 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. 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

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coupons for which funds are being held.

2.a (Cont.) Corporate and municipal trusteeships.

Report 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, report the redemption price. Exclude assets (i.e., cash, deposits, and investments) that are being held for corporate trust purposes; they should be reported in Schedule RC-T, item 6, above.

2.a.(1) Issues reported in Memorandum item 2.a that are in default. Report 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 report issues that are in technical default, for instance, if the obligor failed to provide information or documentation to the trustee within specified time periods.

2.b Transfer agent, registrar, paying agent, and other corporate agency. Report 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.

NOTE: Memorandum items 3.a through 3.h are to be completed by institutions at which the total market value of the assets held in Collective Investment Funds (CIFs) and Common Trust Funds (CTFs) administered by the reporting institution (Memorandum item 3.h, column B) was \$1 billion or more as of the preceding December 31. Memorandum item 3.h only is to be completed by institutions at which the total market value of the assets held in CIFs and CTFs administered by the reporting institution (Memorandum item 3.h, column B) was less than \$1 billion as of the preceding December 31.

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- 3 Collective investment funds and common trust funds.** Report 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 reported in the subitem that best fits the fund type.
- 3.a Domestic equity.** Report 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 reported in Schedule RC-T, Memorandum item 3.g, "Specialty/Other."
- 3.b International/Global equity.** Report 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.
- 3.c Stock/Bond blend.** Report 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.
- 3.d Taxable bond.** Report 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 reported in Schedule RC-T, Memorandum item 3.e, and funds that qualify as short-term investments, which should be reported in Schedule RC-T, Memorandum item 3.f.
- 3.e Municipal bond.** Report 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 reported in Schedule RC-T, Memorandum item 3.f.
- 3.f Short-term investments/Money market.** Report funds subject to the provisions of Section 9.18(b)(4)(ii)(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.
- 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.
- 3.h Total collective investment funds.** For institutions that complete Memorandum items 3.a through 3.g, report the sum of Memorandum items 3.a through 3.g. For all other institutions,

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report the total number of funds and the total market value of the assets held in Collective Investment Funds and Common Trust Funds administered by the reporting institution.

- 4** **Fiduciary settlements, surcharges, and other losses.** Report 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. If the institution enters into a “fee reduction” or “fee waiver” agreement with a client as the method for reimbursing or compensating the client for a loss on the client’s fiduciary or related services account arising from an error, misfeasance, or malfeasance, the full amount of this loss must be recognized on an accrual basis and included in the gross losses reported in the appropriate subitem and column of this Memorandum item 4. An institution should not report such a loss as a reduction of the gross income from fiduciary and related services it reports in Schedule RC-T, items 14 through 22, and Schedule RI, item 5.a, “Income from fiduciary activities,” in the current or future periods when the “fee reduction” or “fee waiver” takes place. (See the example after the instructions to Schedule RC-T, Memorandum item 4.e.)

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 (including those from insurance payments) 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.

- 4.a** **Personal trust and agency accounts.** Report gross losses and recoveries for personal trust and agency accounts as defined for item 4 of this schedule.
- 4.b** **Employee benefit and retirement-related trust and agency accounts.** Report gross losses and recoveries for employee benefit and retirement-related trust and agency accounts as defined for item 5 of this schedule.
- 4.c** **Investment management and investment advisory agency accounts.** Report gross losses and recoveries for investment management and investment advisory agency accounts as defined for item 7 of this schedule.
- 4.d** **Other fiduciary accounts and related services.** Report 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.
- 4.e** **Total fiduciary settlements, surcharges, and other losses.** Report the sum of

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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.

Example of “Fee Reduction” or “Fee Waiver” Agreement

Facts:

- An institution has a two-year fiduciary services agreement with a client. It charges the client’s demand deposit account the \$36,000 quarterly fee for the fiduciary services on the final business day of each calendar quarter.
- Near the end of the first calendar quarter, the institution inadvertently processes a transaction for its client one day later than it should have, causing a \$12,000 loss to the client because of the delay in processing.
- The delayed transaction and loss are discovered immediately before the end of the first calendar quarter.
- The institution is responsible for this loss and must reimburse its client.
- Shortly after the end of the first calendar quarter, the institution enters into a “fee reduction” or “fee waiver” agreement with its client that calls for the institution to reduce the quarterly fee it will charge its client for the second calendar quarter from \$36,000 to \$24,000.
- The Call Report instructions state that fiduciary and related services income must be reported **gross** in Schedule RC-T, items 14 through 22, and Schedule RI, item 5.a.

Question:

How and when should the institution report the \$12,000 loss and the “fee reduction” or “fee waiver” for this amount?

Response:

The institution should include the \$12,000 loss in the net total fiduciary settlements, surcharges, and other losses reported in Schedule RI, item 7.d, “Other noninterest expense,” in the first calendar quarter and each subsequent quarter of the calendar year and, if applicable, in Schedule RC-T, item 24, and in the appropriate subitem and column of Schedule RC-T, Memorandum item 4, in the December Call Report. [If the \$12,000 loss had been discovered in the second calendar quarter, but before the Call Report for the first calendar quarter was submitted (rather than immediately before the end of the first calendar), the institution should report the \$12,000 loss in the Call Report for the first calendar quarter (and each subsequent quarter of the calendar year) as described above. This reporting treatment is applicable because information available prior to the submission of the first quarter Call Report indicates that it is probable that a loss had been incurred as of the end of the first calendar quarter and the amount of the loss can be reasonably estimated.]

Example of “Fee Reduction” or “Fee Waiver” Agreement (cont.)

In the first and second calendar quarters, the institution should include \$36,000 and \$72,000, respectively, in quarterly fees in the gross fiduciary and related services income reported in Schedule RI, item 5.a, “Income from fiduciary activities,” and, if applicable, in the appropriate category of income in Schedule RC-T, items 14 through 21, and in item 22.

Illustrative Journal Entries for This Example

Date of discovery of the loss immediately before the end of the first calendar quarter:

DR Fiduciary losses	\$12,000*
CR Fiduciary reimbursements payable	\$12,000**

To record the \$12,000 fiduciary loss in the period incurred and the reimbursement payable to the client (which will be affected through a “fee reduction” or “fee waiver”).

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* In the first quarter Call Report, the fiduciary loss would be included in Schedule RI, item 7.d.

** In the first quarter Call Report, this unpaid reimbursement payable would be included in Schedule RC-G, item 4.

Final business day of the first calendar quarter:

DR Demand deposit accounts	\$36,000
CR Fiduciary services income	\$36,000***

To record the collection of the \$36,000 gross fee for fiduciary services for the first calendar quarter.

*** In the first quarter Call Report, this income would be included in Schedule RI, item 5.a.

Final business day of the second calendar quarter:

DR Demand deposit accounts	\$24,000
DR Fiduciary reimbursements payable	\$12,000
CR Fiduciary services income	\$36,000****

To record the earning of the \$36,000 gross fee for fiduciary services for the second calendar quarter, the reimbursement of the client for the \$12,000 fiduciary loss, and the collection of the \$24,000 net fee from the client.

**** In the second quarter Call Report, this income would be included in Schedule RI, item 5.a (as would the \$36,000 gross fee for fiduciary services from the first calendar quarter).