

**Instructions for completion of:**

**NC FORM 29A – STATE TRUST CO. CONSOLIDATED REPORT OF CONDITION AND INCOME**

Note: NC Form 29A is to be completed quarterly and is due one month after a calendar quarter-end.

**Income Statement**

**Revenues**

1. Income from fiduciary activities – Report all gross income generated from any personal trust, corporate trust, employee benefit trust, or other trust or fiduciary accounts.
2. Income from custody and agency accounts – Report all gross income generated from any custody, agency, or investment management accounts.
3. Interest income – Report all realized gross income generated from trust company corporate investment activities.
4. All other income – Report any gross income that cannot properly be reported in items 1 through 3. Any amount that represents 10 percent or more of total gross income recorded for item 4 should be identified individually in subsections a., b., c., and d.
5. Total income – Report the sum of items 1 through 4.

**Expenses**

6. a. Salary expense – Record the total of all expenses directly related to officer and employee salaries, bonuses, incentives, or other wages which are paid to officers and employees for carrying out activities attributable to the operation of the trust company. Include social security taxes and state and federal unemployment taxes paid by the trust company.
6. b. Benefits expense – Record the total of all expenses directly related to employee non-salary benefits which are paid on behalf of employees for carrying out activities attributable to the operation of the trust company. Include insurance premiums, contributions to retirement plans, worker compensation insurance premiums, and any other fringe benefits provided to officers and employees. Exclude any expenses related to marketing or public relation activities and expenses associated with club/civic organization membership.
6. c. Occupancy expense – Record the total of all expenses directly related to use of premises, furniture, fixtures, equipment, or other occupancy related expenses used in the execution of trust company operations. Include any applicable depreciation/amortization, ordinary repairs, maintenance, utilities, lease/rental payments, insurance coverage, and applicable real estate/property taxes directly attributable to the day-to-day operation of the trust company.
6. d. Data processing expense – Record the total of all expenses directly related to the electronic collection and processing of data during the course of trust company operations. Include any expenses directly related to trust and trust accounting software, electronic storage, and third-party processing services.

7. Other operating expense – Report all other expenses that cannot properly be recorded in items 6.a through 6.d.
8. Total expenses – Report the sum of items 6.a. through 7.
9. Net income (loss) before income taxes – Report the total from item 5 less the total from item 8.
10. Income taxes – Report the total amount paid to state, federal, and local governments for income taxes.
11. Net income (loss) before adjustments – Report the total from item 9 less the total from item 10.
12. Adjustments to net income (loss) – Report all other adjustments to net income (loss) exclusive of income taxes.
13. Net income (loss) – Report the net balance of items 11 and 12.

## **Balance Sheet**

### **Assets**

Institutions should generally report current and financial assets at market value as of the report date. For any fixed, long term, or ‘other’ assets, the institution may use any generally accepted accounting principle method in determining value; however, valuation methods should be consistent from reporting period to reporting period.

1.a. Noninterest-bearing balances, currency, and coin – Report the total of all noninterest-bearing balances held in depository institutions, physical currency and coin held, cash items in process of collection, and unposted debits.

Cash items in process of collection include checks or drafts in process of collection that are drawn on another depository institution and are payable immediately upon presentation in the United States. This includes:

- 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.
- 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.

1.b. Interest-bearing balances – Report all interest-bearing balances due from depository institutions whether in the form of savings or time balances, including certificates of deposit, but excluding certificates of deposit held for trading.

2.a. Book value of held-to-maturity securities – Report the book value of all securities purchased with the intention of holding the investment to maturity, or with the intention of a substantial holding period if the security does not have a maturity.

- 2.b. Fair market value of available-for-sale securities – Report the market value of all securities purchased with the intent of selling before maturity or selling prior to a substantial holding period if the security does not have a maturity.
3. Securities purchased under agreements to resell – Report all securities purchased in conjunction with an agreement to resell the security purchased.
- 4.a. Customer Receivables for Services – Report all obligations owed, and uncollected, to the company by its clients for services rendered.
- 4.b. Dividends, interest, and other – Report the value of any dividends, interest, or other investment generated payment due, but not received.
5. Prepaid expenses and deposits – Report the value of all advance payments for products and services to be provided in the near future.
6. Net premises and fixed assets including capitalized leases – Report the book value, less accumulated depreciation, or amortization, of all premises, equipment, furniture, and fixtures purchased directly or by means of a capital lease.
7. Other real estate owned – Report the book value, less any accumulated depreciation, of all real estate assets, other than trust company premises, owned or controlled by the trust company.
8. Investments in unconsolidated subsidiaries – Report the total amount of the trust company’s investments in unconsolidated subsidiaries and associated companies over which the trust company exercises significant influence. Include any loans and/or advances to investees and holdings of their bonds, notes, and debentures.
9. Intangible assets – Report the carrying amount of all other specifically identifiable intangible assets, including goodwill.
10. Other assets – Report the value of all other assets that cannot be properly reported in 29A items 1 through 9.
11. Total assets – Report the sum of 29A items 1 through 10. This item must equal 29A item 23 (Total liabilities, limited life preferred stock, and equity capital).

### **Liabilities**

12. Payable to customers - Report any amount payable to customers for refunds, rebates, credits, or any other repayment agreement.
13. Mortgage indebtedness and obligations under capitalized leases – Report the amount owed through mortgages, liens, or other encumbrances on trust company premises and other real estate owned and obligations under capitalized leases.
14. Other borrowed money – Report any amount owed on promissory notes or other obligations for the purpose of borrowing money not reported elsewhere.

15. Notes and debentures – Report any amounts owed, including interest, to obligees for the issuance of notes or debentures.

16. Other liabilities – Report all other liabilities that cannot be properly reported in items 12 through 15.

17. Total liabilities – Report the sum of items 12 through 16.

### **Equity Capital**

18. Perpetual preferred stock and surplus – Report the amount of preferred stock, with no fixed maturity date, issued, including any amounts in excess of par or stated value.

19. a. Class A common stock – Report the aggregate par or stated value of any issued common stock with senior or greater voting privileges. If only one class of stock exists, report as Class A.

19. b. Class B common stock – Report the aggregate par or stated value of any issued common stock with subordinated or lesser voting privileges. If only one class of stock exists, report as Class A.

20. Surplus – Report the net amount formally transferred to a surplus account, including capital contributions, adjustments arising from treasury stock transactions, and any amount received for common stock in excess of its par or stated value on or before the report date.

21. a. Undivided profits and capital reserves – Report the amount of undivided profits and capital reserves. Report net of the carrying value of any treasury stock and net of the carrying value of any unearned Employee Stock Ownership Plan (ESOP) shares. The amount of the undivided profits and capital reserves should reflect the transfer of net income, declaration of dividends, transfers to surplus, and any other appropriate entries. Capital reserves are segregations of undivided profits and are not to be reported as liability accounts or as reductions of asset balances.

Capital reserves may be established for such purposes as:

- Reserve for undeclared stock dividends -- includes amounts set aside to provide for stock dividends (not cash dividends) not yet declared.
- Reserve for undeclared cash dividends -- includes amounts set aside for cash dividends on common and preferred stock not yet declared (cash dividends declared but not yet payable should be included in item 16, other liabilities).
- Retirement account (for limited-life preferred stock or subordinated notes and debentures) -- includes amounts allocated under the plan for retirement of limited-life preferred stock or subordinated notes and debentures contained in the trust company's articles of association or in the agreement under which such stock or notes and debentures were issued.
- Reserve for contingencies -- includes amounts set aside for possible unforeseen or indeterminate liabilities not otherwise reflected on the bank's books and not covered by insurance. Reserve for contingencies represents a segregation of undivided profits. It should not include any element of known losses or of any probable losses the amount of which can be estimated with reasonable accuracy.

21. b. Net unrealized gains (losses) on available-for-sale securities – Report the difference between the amortized cost and the fair market value of the reporting company's available-for-sale securities, net of tax effects.

22. Total Equity Capital – Report the sum of items 18 through 21. b.

23. Total liabilities, limited life preferred stock, and equity capital – Report the sum of items 17 and 22. This item must equal 29A item 11 (Total assets).