

SCHEDULE RI-D -- INCOME FROM INTERNATIONAL OPERATIONS

General Instructions

Schedule RI-D is applicable only to certain banks that file the FFIEC 031 report forms.

Banks with foreign offices, Edge or Agreement subsidiaries, or IBFs are required to complete this schedule if their international operations account for more than 10 percent of their total revenues, total assets, or net income; otherwise, banks need not complete this schedule.

Banks that are required to complete this schedule should report estimates of the amounts of their income and expense attributable to international operations after eliminating intracompany accounts. These estimates should reflect all appropriate internal allocations of income and expense, whether or not "booked" that way in the bank's formal accounting records. To the extent feasible, banks should attempt to maintain consistency over time in their procedures for making such allocations.

Item Instructions

Item No. Caption and Instructions

- 1 Interest income and expense attributable to international operations:**
- 1.a Gross interest income.** Report the bank's best estimate of that portion of total interest income, including fees and other interest associated charges, (reported in Schedule RI, item 1.h) that is allocable to international operations.
- 1.b Gross interest expense.** Report the bank's best estimate of that portion of total interest expense (reported in Schedule RI, item 2.e) that is allocable to international operations.
- 2 Net interest income attributable to international operations.** Report the difference between items 1.a and 1.b. If the result is negative, enclose it in parentheses.
- 3 Noninterest income and expense attributable to international operations:**
- 3.a Noninterest income attributable to international operations.** Report the bank's best estimate of that portion of Schedule RI, item 5.m, "Total noninterest income," item 6.a, "Realized gains (losses) on held-to-maturity securities," item 6.b, "Realized gains (losses) on available-for-sale securities," and item 11, "Extraordinary items and other adjustments, net of income taxes," that is allocable to international operations.
- 3.b Provision for loan and lease losses attributable to international operations.** Report the bank's best estimate of that portion of the provision for loan and lease losses (reported in Schedule RI, item 4) that is allocable to loans and leases to non-U.S. addressees.
- 3.c Other noninterest expense attributable to international operations.** Report the bank's best estimate of that portion of Schedule RI, item 7.e, "Total noninterest expense," that is allocable to international operations.
- 3.d Net noninterest income (expense) attributable to international operations.** Report the total of item 3.a less items 3.b and 3.c. If the result is negative, enclose it in parentheses.

Item No. **Caption and Instructions**

- 4 **Estimated pretax income attributable to international operations before capital allocation adjustment.** Report the sum of items 2 and 3.d. If the amount is negative, enclose it in parentheses. This amount represents the bank's best estimate of income before a capital allocation adjustment and income taxes that is attributable to international operations. The estimate should reflect all appropriate internal allocations of income and expense.
- 5 **Adjustment to pretax income for internal allocations to international operations to reflect the effects of equity capital on overall bank funding costs.** Report any amount credited to estimated pretax income attributable to international operations that reflects management's estimate of the effect of equity capital allocable to international operations. Equity capital, which is interest-free, helps to reduce a bank's overall funding costs and increase net interest income.
- 6 **Estimated pretax income attributable to international operations after capital allocation adjustment.** Report the sum of items 4 and 5. If the result is negative, enclose it in parentheses.
- 7 **Income taxes attributable to income from international operations as estimated in item 6.** Report the bank's best estimate of income taxes, both U.S. and foreign, that are applicable to estimated pretax income attributable to international operations.
- 8 **Estimated net income attributable to international operations.** Report the difference between item 6 and item 7. If the result is negative, enclose it in parentheses. This amount represents the bank's best estimate of net income attributable to international operations.