Draft Revisions to the Call Report Instructions for the Proposed Credit Loss Accounting Revisions to the FFIEC 051 Call Report Proposed to Take Effect March 31, 2019

These draft instructions, which are subject to change, reflect the proposed revisions to the FFIEC 051 Call Report that would take effect March 31, 2019, as described in the federal banking agencies’ initial Paperwork Reduction Act Federal Register notice for this proposal that was published on September 28, 2018.

The Federal Register notice and the redlined draft reporting forms for these proposed Call Report revisions are available at https://www.ffiec.gov/forms051.htm.

Draft as of October 24, 2018
Draft Revisions to the Call Report Instructions for Revisions to the FFIEC 031 and FFIEC 041 Call Reports Proposed to Take Effect March 31, 2019

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LINE ITEM INSTRUCTIONS FOR THE CONSOLIDATED REPORT OF INCOME

The line item instructions should be read in conjunction with the Glossary and other sections of these instructions. See the discussion of the Organization of the Instruction Books in the General Instructions. For purposes of these Consolidated Report of Income instructions, the Financial Accounting Standards Board (FASB) Accounting Standards Codification is referred to as the “ASC.”

SCHEDULE RI – INCOME STATEMENT

General Instructions

Report in accordance with these instructions all income and expense of the bank for the calendar year-to-date. Include adjustments of accruals and other accounting estimates made shortly after the end of a reporting period which relate to the income and expense of the reporting period.

A bank that began operating during the year-to-date reporting period should report in the appropriate items of Schedule RI all income earned and expenses incurred since commencing operations. The bank should report pre-opening income earned and expenses incurred from inception until the date operations commenced using one of the two methods described in the Glossary entry for “start-up activities.”

Business Combinations, Pushdown Accounting Transactions, and Transactions between Entities under Common Control – If the reporting institution entered into a business combination that became effective during the year-to-date reporting period and has been accounted for under the acquisition method, report the income and expense of the acquired institution or business only after its acquisition. 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), Schedule RI should only include amounts from the date of the institution’s acquisition through the end of the year-to-date reporting period. 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 the income and expense of the combined entities for the entire calendar year-to-date as though they had combined at the beginning of the year. For further information on business combinations, pushdown accounting, and transactions between entities under common control, see the Glossary entry for “business combinations.”

Assets and Liabilities Accounted for under the Fair Value Option – Under U.S. generally accepted accounting principles (GAAP) (i.e., ASC Subtopic 825-10, Financial Instruments – Overall (formerly FASB Statement No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities”), ASC Subtopic 815-15, Derivatives and Hedging – Embedded Derivatives (formerly FASB Statement No. 155, “Accounting for Certain Hybrid Financial Instruments”), and ASC Subtopic 860-50, Transfers and Servicing – Servicing Assets and Liabilities (formerly FASB Statement No. 156, “Accounting for Servicing of Financial Assets”)), the bank may elect to report certain assets and liabilities at fair value with changes in fair value recognized in earnings. This election is generally referred to as the fair value option. If the bank has elected to apply the fair value option to interest-bearing financial assets and liabilities, it should report the interest income on these financial assets (except any that are in nonaccrual status) and the interest expense on these financial liabilities for the year-to-date in the appropriate interest income and interest expense items on Schedule RI, not as part of the reported change in fair value of these assets and liabilities for the year-to-date. The bank should measure the interest income or interest expense on a financial asset or liability to which the fair value option has been applied using either the contractual interest rate on the asset or liability or the effective yield method based on the amount at which the asset
General Instructions (cont.)

or liability was first recognized on the balance sheet. Although the use of the contractual interest rate is an acceptable method under GAAP, when a financial asset or liability has a significant premium or discount upon initial recognition, the measurement of interest income or interest expense under the effective yield method more accurately portrays the economic substance of the transaction. In addition, in some cases, GAAP requires a particular method of interest income recognition when the fair value option is elected. For example, when the fair value option has been applied to a beneficial interest in securitized financial assets within the scope of ASC Subtopic 325-40, Investments-Other – Beneficial Interests in Securitized Financial Assets (formerly Emerging Issues Task Force Issue No. 99-20, “Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets”), interest income should be measured in accordance with this Subtopic. Similarly, when the fair value option has been applied to a purchased impaired loan or debt security accounted for under ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”), interest income on the loan or debt security should be measured in accordance with this Subtopic when accrual of income is appropriate.

For Institutions that have adopted Accounting Standards Update No. 2016-13 (ASU 2016-13), which governs the accounting for credit losses, when the fair value option has been applied to an acquired loan or debt security under ASC 326-20, “Financial Instruments-Credit Losses –Measured at Amortized Cost”, interest income on the loan or debt security should be measured in accordance with Subtopic 310-10, “Receivables – Overall”, regardless of whether or not management has determined the asset to be purchased credit deteriorated (PCD).

For further information, see the Glossary entries for “Purchased Impaired Loans and Debt Securities.” and “Purchased Credit Deteriorated (PCD) Loans and Debt Securities.”

Revaluation adjustments, excluding amounts reported as interest income and interest expense, to the carrying value of all assets and liabilities reported in Schedule RC at fair value under a fair value option (excluding servicing assets and liabilities reported in Schedule RC, item 10, “Intangible assets,” and Schedule RC, item 20, “Other liabilities,” respectively, and assets and liabilities reported in Schedule RC, item 5, ”Trading assets,” and Schedule RC, item 15, ”Trading liabilities,” respectively) resulting from the periodic marking of such assets and liabilities to fair value should be reported as “Other noninterest income” in Schedule RI, item 5.I.

Item Instructions

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<tr>
<td>1</td>
<td>Interest income:</td>
</tr>
<tr>
<td>1.a</td>
<td>Interest and fee income on loans. Report in the appropriate subitem all interest, fees, and similar charges levied against or associated with all assets reportable as loans in Schedule RC-C, Part I, items 1 through 9. Deduct interest rebated to customers on loans paid before maturity from gross interest earned on loans; do not report as an expense. Include as interest and fee income on loans:</td>
</tr>
<tr>
<td></td>
<td>(1) Interest on all assets reportable as loans extended directly, purchased from others, sold under agreements to repurchase, or pledged as collateral for any purpose.</td>
</tr>
<tr>
<td></td>
<td>(2) Loan origination fees, direct loan origination costs, and purchase premiums and discounts on loans held for investment, all of which should be deferred and recognized over the life of the related loan as an adjustment of yield in accordance with ASC 4.</td>
</tr>
</tbody>
</table>
Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs (formerly FASB Statement No. 91, “Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases”) as described in the Glossary entry for “loan fees.” See exclusion (3) below.

For institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, the purchase premiums and discounts on loans held for investment that management has determined to be PCD and are measured at amortized cost, should be adjusted to exclude the acquisition date allowance for credit loss from the amortized cost basis of the loans.

For further information, see the Glossary entry “Purchased Credit Deteriorated (PCD) Loans and Debt Securities.”
<table>
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<tbody>
<tr>
<td>2.c</td>
<td>&quot;Subordinated notes and debentures.&quot; Include interest expense incurred on other borrowed money and subordinated notes and debentures reported at fair value under a fair value option. Include amortization of debt issuance costs associated with other borrowed money and subordinated notes and debentures (unless these liabilities 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 RI-A, item 8).</td>
</tr>
<tr>
<td>2.d</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>2.e</td>
<td><strong>Total interest expense.</strong> Report the sum of Schedule RI, items 2.a through 2.c.</td>
</tr>
<tr>
<td>3</td>
<td><strong>Net interest income.</strong> Report the difference between Schedule RI, item 2.e, &quot;Total interest expense,&quot; and Schedule RI, item 1.h, &quot;Total interest income.&quot; If the amount is negative, report it with a minus (-) sign.</td>
</tr>
<tr>
<td>4</td>
<td><strong>Provision for loan and lease losses.</strong> Institutions that have not adopted ASU 2016-13, report the amount needed to make the allowance for loan and lease losses, as reported in Schedule RC, item 4.c, adequate to absorb estimated credit losses, based upon management's evaluation of the reporting institution's loans and leases held for investment, excluding such loans and leases reported at fair value under a fair value option. Loans and leases held for investment are those that the reporting institution has the intent and ability to hold for the foreseeable future or until maturity or payoff. Also include in this item any provision for allocated transfer risk related to loans and leases. The amount reported in this item must equal Schedule RI-B, Part II, item 5, <strong>column A,</strong> &quot;Provision for loan and lease credit losses.&quot; Report negative amounts with a minus (-) sign. Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, report the amount expensed as the provisions for credit losses, during the calendar year-to-date. The provisions for credit losses represents the amount appropriate to absorb estimated credit losses over the life of the financial assets reported at amortized cost within the scope of the standard. Exclude the initial allowances established on the purchase of credit-deteriorated (PCD) financial assets, which are recorded at acquisition as an adjustment to the amortized cost basis of the asset. The amount reported in this item must equal the sum of Schedule RI-B, Part II, item 5, columns A through column C plus Schedule RI-B, Part II, Memorandum item 5. Report negative amounts with a minus (-) sign. Exclude any provision for credit losses on off-balance sheet credit exposures, which should be reported in Schedule RI, item 7.d, &quot;Other noninterest expense.&quot; The amount reported here may differ from the bad debt expense deduction taken for federal income tax purposes. Refer to the Glossary entries for &quot;allowance for loan and lease losses,&quot; &quot;loan impairment,&quot; &quot;allowance for credit losses&quot; and &quot;Purchased Credit Deteriorated (PCD) loans and debt securities&quot; for additional information.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Noninterest income:</strong></td>
</tr>
</tbody>
</table>
| 5.a     | **Income from fiduciary activities.** Report gross income from services rendered by the institution's trust department or any of its consolidated subsidiaries acting in any fiduciary capacity. Include commissions and fees on sales of annuities by the institution's trust...
department (or by a consolidated trust company subsidiary) that are executed in a fiduciary capacity. For institutions required to complete Schedule RC-T, items 14 through 22, this item must equal the amount reported in Schedule RC-T, item 22.

Exclude net fiduciary settlements, surcharges, and other losses. Such losses should be reported on a net basis in Schedule RI, item 7.d, “Other noninterest expense, and, if applicable, in Schedule RC-T, item 24 and Memorandum item 4. Net losses are gross losses less recoveries (including those from insurance payments). If the institution’s trust department or a consolidated subsidiary acting in any fiduciary capacity enters into a “fee reduction” or “fee waiver” agreement with a client as the method for reimbursing or
Item No. | Caption and Instructions
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5.m | **Total noninterest income.** Report the sum of items 5.a through 5.l.

6.a | **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 Schedule RC, item 2.a, "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 in this item other-than-temporary impairment losses on individual held-to-maturity securities that must be recognized in earnings. For further information on the accounting for impairment of held-to-maturity securities, see the Glossary entry for "securities activities." If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, should adjust the amortized cost for recoveries of any prior charge-offs when calculating the realized gain or loss on a security, such that the recovery of a previously charged off amount should be recorded before recognizing the gain.

Excluding from this item realized gains (losses) on available-for-sale securities (report in Schedule RI, item 6.b, below) and on trading securities (report as trading revenue in Schedule RI, item 5.l, "Other noninterest income").

6.b | **Realized gains (losses) on available-for-sale 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 Schedule RC, item 2.b, "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.

Institutions that have not adopted ASU 2016-13 also include in this item other-than-temporary impairment losses on individual available-for-sale securities that must be recognized in earnings. For further information on the accounting for impairment of available-for-sale securities, see the Glossary entry for "securities activities." If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

Institutions that have adopted ASU 2016-13 adjust the amortized cost for recoveries of any prior charge-offs when calculating the realized gain or loss on a security, such that recovery of a previously charged off amount should be recorded before recognizing the gain. Include in this item any write-off recorded when the institution intends to sell the debt security, or it is more likely than not the institution will be required to sell the security before recovery of its amortized cost basis.

For institutions that have adopted FASB Accounting Standards Update No. 2016-01 (ASU 2016-01), which includes provisions governing the accounting for investments in equity securities and eliminates the concept of available-for-sale equity securities (see the Note preceding the instructions for Schedule RI, item 8.b), include realized gains (losses) only on available-for-sale debt securities in item 6.b. Report realized and unrealized gains (losses) during the year-to-date reporting period on equity securities with readily determinable fair values not held for trading in Schedule RI, item 8.b.

Exclude from this item:

1. (a) For institutions that have not adopted ASU 2016-01, the change in net unrealized holding gains (losses) on available-for-sale debt and equity securities during the calendar year to date (report in Schedule RI-A, item 10, "Other comprehensive income").
(b) For institutions that have adopted ASU 2016-01, the change in net unrealized holding gains (losses) on available-for-sale debt securities during the calendar year to date (report in Schedule RI-A, item 10, “Other comprehensive income”).

(2) Realized gains (losses) on held-to-maturity securities (report in Schedule RI, item 6.a, above) and on trading securities (report as trading revenue in Schedule RI, item 5.l, “Other noninterest income”).

(3) Institutions that have adopted ASU 2016-13 exclude the allowance recorded through the allowance for credit losses on available-for-sale securities (report in Schedule RI, item 4, “Provision for loan and lease losses” which includes the provisions for credit losses for all financial assets that fall within the scope of the standard).
Item No. | Caption and Instructions
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7.d | **Exclude** from other noninterest expense:
(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 using the effective interest method and report the expense in Schedule RI, item 2.c, "Other interest expense"). For further information, see the Glossary entry for “Debt issuance costs.”
(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. For perpetual preferred and common stock only, report the net sales proceeds in Schedule RI-A, item 5, "Sale, conversion, acquisition, or retirement of capital stock, net").
(3) Depreciation and other expenses related to the use of bank-owned automobiles, airplanes, and other vehicles for bank business (report in Schedule RI, item 7.b, “Expenses of premises and fixed assets”).
(4) **Institutions that have not adopted ASU 2016-13** write-downs of the cost basis of individual held-to-maturity and available-for-sale securities for other-than-temporary impairments (report in Schedule RI, item 6.a, "Realized gains (losses) on held-to-maturity securities," and item 6.b, "Realized gains (losses) on available-for-sale securities," respectively).
(5) **Institutions that have adopted ASU 2016-13**, charge-offs of the cost basis of individual held-to-maturity and available-for-sale securities (report credit losses in item 4, “Provision for credit losses,” and report any write-off when the institution intends to sell the debt security, or when it is more likely than not the institution will be required to sell the security before recovery of its amortized cost basis in Schedule RI, item 6.a, "Realized gains (losses) on held-to-maturity securities," and item 6.b, "Realized gains (losses) on available-for-sale securities," respectively).
(56) Revaluation adjustments to the carrying value of all assets and liabilities reported in Schedule RC at fair value under a fair value option. Banks should report these net decreases (increases) in fair value on servicing assets and liabilities in Schedule RI, item 5.f, and on financial assets and liabilities (including trading assets and liabilities) in Schedule RI, item 5.l. Interest income earned and interest expense incurred on these financial assets and liabilities should be excluded from the net decreases (increases) in fair value and reported in the appropriate interest income or interest expense items on Schedule RI.
7.e | **Total noninterest expense.** Report the sum of items 7.a through 7.d.
8.a | **Income (loss) before unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations.** Report the institution’s pretax income from continuing operations before unrealized holding gains (losses) on equity securities not held for trading. This amount is determined by taking item 3, "Net interest income," minus item 4, "Provision for loan and lease losses," plus item 5.m, "Total noninterest income," plus item 6.a, "Realized gains (losses) on held-to-maturity securities," plus item 6.b, "Realized gains (losses) on available-for-sale securities," minus item 7.e, "Total noninterest expense." If the result is negative, report it with a minus (-) sign.

**Note:** Institutions that have adopted ASU 2016-13 report the provisions for credit losses in item 4, referenced in item 8.a.
Memoranda

Item No. Caption and Instructions

NOTE: Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, Part I, Memorandum items 8.b and 8.c, and is to be completed annually as of the December 31 report date.

12 Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties. Report the amount of noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (i.e., interest income accrued and uncollected that has been added to principal) included in interest and fee income on loans secured by real estate (Schedule RI, item 1.a.(1)).

Negative amortization refers to a method in which a loan is structured so that the borrower’s minimum monthly (or other periodic) payment is contractually permitted to be less than the full amount of interest owed to the lender, with the unpaid interest added to the loan’s principal balance. The contractual terms of the loan provide that if the borrower allows the principal balance to rise to a pre-specified amount or maximum cap, the loan payments are then recast to a fully amortizing schedule. Negative amortization features may be applied to either adjustable rate mortgages or fixed rate mortgages, the latter commonly referred to as graduated payment mortgages (GPMs).

13 Not applicable.

14 Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings.

Memorandum item 14 is to be completed only by institutions that have not adopted ASU 2016-13, which governs the accounting for credit losses. Institutions that have adopted ASU 2016-13 leave this item blank.

Report the amount of other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that have been recognized in earnings during the calendar year to date as discussed in the following paragraphs. This amount is included in the realized gains (losses) on held-to-maturity and available-for-sale securities reported in Schedule RI, items 6.a and 6.b, respectively.

When the fair value of an individual held-to-maturity or available-for-sale debt security is less than its amortized cost basis, the security is impaired and the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, a bank must apply the relevant guidance in ASC Topic 320, Investments—Debt Securities (formerly FASB Statement No. 115, “Accounting for Certain Investments in Debt and Equity Securities,” as amended by FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, “The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,” and FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments”) and ASC Subtopic 325-40, Investments—Other—Beneficial Interests in Securitized Financial Assets (formerly Emerging Issues Task Force (EITF) Issue No. 99-20, “Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets,” as amended by FSP EITF 99-20-1, “Amendments to the Impairment Guidance of EITF Issue No. 99-20”), as appropriate.

When an other-than-temporary impairment loss has occurred on an individual debt security, the total amount of the loss is the entire difference between the amortized cost of the debt security and its fair value on the measurement date of the other-than-temporary impairment. For an other-than-temporary impairment loss on a debt security that the bank intends to sell and on a debt security that it is more likely than not that the bank will be required to sell
before recovery of its amortized cost basis less any current-period credit loss, the total amount of the other-than-temporary impairment loss must be recognized in earnings and must be reported in this item.
# SCHEDULE RI-B – CHARGE-OFFS AND RECOVERIES ON LOANS AND LEASES AND CHANGES IN ALLOWANCES FOR LOAN-AND-LEASE CREDIT LOSSES

## Part I. Charge-offs and Recoveries on Loans and Leases

### General Instructions

This part has two columns. In column A report loans and leases charged off against the allowance for loan and lease losses during the current calendar year-to-date. Also include in column A write-downs to fair value on loans (and leases) transferred to the held-for-sale account during the calendar year-to-date that occurred when (1) the reporting bank decided to sell loans that were not originated or otherwise acquired with the intent to sell and (2) the fair value of those loans had declined for any reason other than a change in the general market level of interest or foreign exchange rates. In column B report amounts recovered through the allowance for loan and lease losses during the calendar year-to-date on loans and leases previously charged off.

For those banks required to establish and maintain an allocated transfer risk reserve as specified in [Section 905(a) of the International Lending Supervision Act of 1983](https://example.com), include in column A loans and leases charged off against the allocated transfer risk reserve during the current calendar year-to-date. Include in column B amounts recovered through the allocated transfer risk reserve during the calendar year-to-date on loans and leases previously charged off against this reserve.

These instructions should be read in conjunction with the Glossary entry for "allowance for loan and lease losses" and "allowances for credit losses."

### Business Combinations, Pushdown Accounting Transactions, and Transactions between Entities under Common Control

If the reporting institution entered into a business combination that became effective during the year-to-date reporting period and has been accounted for under the acquisition method, include the charge-offs and recoveries of the acquired institution or other business only after its acquisition. Similarly, 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), include only the charge-offs and recoveries from the date of the institution's acquisition through the end of the year-to-date reporting period. 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 the charge-offs and recoveries of the combined entities for the entire calendar year-to-date as though they had combined at the beginning of the year. For further information on business combinations, pushdown accounting, and transactions between entities under common control, see the Glossary entry for "business combinations."

### Item Instructions

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<tr>
<td>1</td>
<td><strong>Loans secured by real estate.</strong> Report in the appropriate subitem and column loans secured by real estate (as defined for Schedule RC-C, Part I, item 1) charged off and recovered.</td>
</tr>
<tr>
<td>1.a</td>
<td><strong>Construction, land development, and other land loans.</strong> Report in the appropriate subitem and column construction, land development, and other land loans (as defined for Schedule RC-C, Part I, item 1.a) charged off and recovered.</td>
</tr>
</tbody>
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### Part I (cont.)

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<td>2 and 3</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>4</td>
<td><strong>Commercial and industrial loans.</strong> Report in columns A and B, as appropriate, commercial and industrial loans (as defined for Schedule RC-C, Part I, item 4) charged-off and recovered.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Loans to individuals for household, family, and other personal expenditures.</strong> Report in the appropriate subitem and column loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, Part I, item 6) charged-off and recovered.</td>
</tr>
<tr>
<td>5.a</td>
<td><strong>Credit cards.</strong> Report in columns A and B, as appropriate, all extensions of credit under credit cards (as defined for Schedule RC-C, Part I, items 6.a) charged-off and recovered.</td>
</tr>
<tr>
<td>5.b</td>
<td><strong>Automobile loans.</strong> Report in columns A and B, as appropriate, all loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use (as defined for Schedule RC-C, Part I, item 6.c) charged-off and recovered.</td>
</tr>
<tr>
<td>5.c</td>
<td><strong>Other (includes revolving credit plans other than credit cards and other consumer loans).</strong> Report in columns A and B, as appropriate, all other extensions of credit to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, Part I, items 6.b and 6.d) charged-off and recovered.</td>
</tr>
<tr>
<td>6</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>7</td>
<td><strong>All other loans.</strong> Report in columns A and B, as appropriate, loans to depository institutions and acceptances of other banks, loans to finance agricultural production and other loans to farmers, obligations (other than securities and leases) of states and political subdivisions in the U.S., and loans to nondepository financial institutions and other loans (as defined for Schedule RC-C, Part I, items 2, 3, 8, and 9) charged-off and recovered.</td>
</tr>
<tr>
<td>8</td>
<td><strong>Lease financing receivables.</strong> Report in columns A and B, as appropriate, all lease financing receivables (as defined for Schedule RC-C, Part I, item 10) charged-off and recovered.</td>
</tr>
<tr>
<td>9</td>
<td><strong>Total.</strong> Report in columns A and B the sum of item 1 through 8. The amount reported in column A must equal Schedule RI-B, Part II, item 3, column A, “Charge-offs,” below. The amount reported in column B must equal Schedule RI-B, Part II, item 2, column A, “Recoveries,” below.</td>
</tr>
</tbody>
</table>
Part II. Changes In Allowances for Loan and Lease Credit Losses

General Instructions

This schedule has three columns for information on the allowances for credit losses, one for each of the following asset types: 1) loans and leases held for investment (Column A), 2) held-to-maturity debt securities (Column B), and 3) available-for-sale debt securities (Column C).

Institutions that have not adopted ASU 2016-13, which governs the accounting for credit losses, report the reconcilement of the allowance for loan and lease losses on a calendar year-to-date basis in column A. Leave columns B and C blank.

Institutions that have adopted ASU 2016-13 report changes in the allowances for credit losses for loans and leases held for investment, held-to-maturity debt securities and available-for-sale debt securities in the applicable columns.

For those banks required to establish and maintain an allocated transfer risk reserve as specified in Section 905(a) of the International Lending Supervision Act of 1983, the reconcilement should include the activity in the allocated transfer risk reserve in column A during the calendar year-to-date that relates to loans and leases.

Exclude the balances of the allowance for credit losses on off-balance sheet credit exposures reported in Schedule RC-G, item 3, and any capital reserves included in Schedule RC, item 26.a, "Retained earnings," and the effects of any transactions therein.

Refer to the Glossary entry for "allowance for loan and lease losses" and "allowances for credit losses" for further information.

Business Combinations, Pushdown Accounting Transactions, and Transactions between Entities under Common Control – If the reporting institution entered into a business combination that became effective during the year-to-date reporting period and has been accounted for under the acquisition method, include the recoveries, charge-offs, and provisions of the acquired institution or other business only after its acquisition. Under ASC Topic 805, Business Combinations (formerly FASB Statement No. 141(R), "Business Combinations"), the acquired loans and leases must be measured at their acquisition-date fair values. Therefore, for institutions that have not adopted ASU 2016-13, the reporting institution may not carry over the allowance for loan and lease losses of the acquired institution or other business as of the acquisition date.

A reporting institution that has adopted ASU 2016-13 may not carry over the allowances for credit losses for acquired assets. To note, for acquired assets that management has determined to be purchased credit deteriorated (PCD), institutions will estimate and record the allowances for credit losses as of the acquisition date with an offsetting debit to the asset's initial amortized cost basis. This allowance must be reported as a positive (+) amount in Schedule RI-B, part II, item 6, "Adjustments" in the applicable column.

Similarly, if the reporting institution was acquired in a transaction that became effective during the year-to-date 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), include only the recoveries, charge-offs, and provisions from the date of the institution's acquisition through the end of the year-to-date reporting period. For institutions that have not adopted ASU 2016-13, when applying pushdown accounting, the reporting institution’s loans and leases must be restated to their acquisition-date fair values and the institution may not carry over its allowance for loan and lease losses as of the acquisition date. As a consequence, the amount reported in Schedule RI-B, Part II, item 1, column A, for the balance of the allowance for loan and lease losses most recently reported for the end of the previous calendar year must be reported as a negative in Schedule RI-B, Part II, item 6, "Adjustments."

A reporting institution that has adopted ASU 2016-13 also must restate the acquisition-date fair values.
and may not carry over the allowances for credit losses for acquired assets when applying pushdown accounting. The amount reported in Schedule RI-B, part II, item 1, columns A through C, for the balances of the allowances for credit losses on the acquired assets most recently reported for the end of the previous calendar year must be reported as a negative in Schedule RI-B, part II, item 6, "Adjustments." For those assets that management has determined to be PCD, institutions will then add back the allowances for credit losses as of the acquisition date. This allowance must be reported as a positive amount in Schedule RI-B, part II, item 6, "Adjustments" in the applicable column.

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 the recoveries, charge-offs, and provisions of the combined entities for the entire calendar year-to-date as though they had combined at the beginning of the year. **Reporting institutions that have not adopted ASU 2016-13,** report the balance as of the end of the previous calendar year of the allowance for loan and lease losses of the institution or other business that combined with the reporting institution in the common control transaction in Schedule RI-B, Part II, item 6, "Adjustments," column A. Reporting institutions that have adopted ASU 2016-13 should report the balance as of the end of the previous calendar year of the allowances for credit losses of the institution or other business that combined with the reporting institution in the common control transaction in Schedule RI-B, part II, item 6, "Adjustments" in the applicable column.

For further information on business combinations, pushdown accounting, and transactions between entities under common control, see the Glossary entry for "business combinations." **Refer to the Glossary entry for “allowance for credit losses” for further information on accounting for PCD assets.**
Part II. (cont.)

**Item Instructions**

<table>
<thead>
<tr>
<th>Item No.</th>
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<tbody>
<tr>
<td>1</td>
<td><strong>Balance most recently reported in the December 31, 20xx, Reports of Condition and Income.</strong> Institutions that have not adopted ASU 2016-13, report in column A Report the balance of the bank's allowance for loan and lease losses as reported in the Reports of Condition and Income for the previous calendar year-end after the effect of all corrections and adjustments to the allowance for loan and lease losses that were made in any amended report(s) for the previous calendar year-end. Institutions that have adopted ASU 2016-13 should report in the appropriate columns the balances of all allowances for credit losses as reported in the Consolidated Reports of Condition and Income for the previous calendar year-end after the effect of all corrections and adjustments to the allowances for credit losses that were made in any amended report(s) for the previous calendar year-end. In the year of adoption, institutions should record a zero balance for columns B and C.</td>
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<tr>
<td>2</td>
<td><strong>Recoveries.</strong> Institutions that have not adopted ASU 2016-13, report in column A Report the amount credited to the allowance for loan and lease losses for recoveries during the calendar year-to-date on amounts previously charged against the allowance for loan and lease losses. The amount reported in this item must equal Schedule RI-B, Part I, item 9, column B. Institutions that have adopted ASU 2016-13, report in the appropriate columns the amount credited to the allowance for credit losses for recoveries during the calendar year-to-date on amounts previously charged against the allowance for credit losses. The amount reported in &quot;Loans and Leases&quot;, column A, of this item must equal Schedule RI-B, part I, item 9, column B.</td>
</tr>
<tr>
<td>3</td>
<td><strong>LESS: Charge-offs.</strong> Institutions that have not adopted ASU 2016-13, report in column A Report the amount of all loans and leases charged against the allowance for loan and lease losses during the calendar year-to-date. The amount reported in this item must equal Schedule RI-B, Part I, item 9, column A, &quot;Total&quot; charge-offs, less Schedule RI-B, Part II, item 4, &quot;LESS: Write-downs arising from transfers of loans to a held-for-sale account.&quot; Institutions that have adopted ASU 2016-13, report in the appropriate columns the amount by asset type charged against the allowance for credit losses during the calendar year-to-date. The amount reported in column A of this item must equal Schedule RI-B, part I, item 9, column A, &quot;Total&quot; charge-offs, less Schedule RI-B, part II, item 4, column A, &quot;LESS: Write-downs arising from transfers of financial assets&quot;.</td>
</tr>
<tr>
<td>4</td>
<td><strong>LESS: Write-downs arising from transfers of loans to a held-for-sale account.</strong> Financial assets. Institutions that have not adopted ASU 2016-13, report in column A Report the amount of write-downs to fair value charged against the allowance for loan and lease losses resulting from transfers of loans and leases to a held-for-sale account during the calendar year-to-date that occurred when:  * the reporting bank decided to sell loans and leases that were not originated or otherwise acquired with the intent to sell, and  * the fair value of those loans and leases had declined for any reason other than a change in the general market level of interest or foreign exchange rates. Institutions that have adopted ASU 2016-13 report in the appropriate columns the amount of write-downs to fair value charged against the allowance for credit losses resulting from transfers of loans and leases to a held-for-sale account (resulting from the events described, above), or transfers of held-to-maturity debt securities and available-for-sale debt securities</td>
</tr>
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</table>
between HTM and AFS and trading accounts during the calendar year-to-date.

5 **Provision for loan and lease losses.** Institutions that have not adopted ASU 2016-13, report in column A, the amount expensed as the provision for loan and losses during the calendar year-to-date. The provision for loan and lease losses represents the amount needed to make the allowance for loan and lease losses adequate to absorb estimated loan and lease losses, based upon management's evaluation of the bank's current loan and lease exposures. The amount reported in this item must equal Schedule RI, item 4. If the amount reported in this item is negative, report it with a minus (-) sign.

Institutions that have adopted ASU 2016-13 report in the appropriate column the amount expensed as the provision for credit losses during the calendar year-to-date. The provisions for credit losses represents the amount appropriate to absorb estimated credit losses over the life of the financial assets reported at amortized cost within the scope of the standard. The sum of the amounts reported in item 5, columns A through C plus Schedule RI-B, Memoranda item 5 must equal Schedule RI, item 4. If the amount reported in this item is negative, report it with a minus (-) sign.

6 **Adjustments.** If the reporting institution was acquired in a transaction that became effective during the year-to-date 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), institutions that have not adopted ASU 2016-13, report in column A of report in this item as a negative the balance of the allowance for loan and lease losses most recently reported for the end of the previous calendar year, as reported in Schedule RI-B, Part II, item 1, column A, above.

Institutions that have adopted ASU 2016-13, report in the appropriate columns for this item as a negative the balance of the allowances for credit losses on financial assets that are not determined by management to be PCD most recently reported for the end of the previous calendar year, as reported in Schedule RI-B, part II, item 1, above. For those assets determined by management to be PCD, the allowances for credit losses as of the acquisition date should then be reported as a positive number in the appropriate columns for this line item.

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, institutions that have not adopted ASU 2016-13, report in column A of this item the balance as of the end of the previous calendar year of the allowance for loan and lease losses of the institution or other business that combined with the reporting institution in the common control transaction. Institutions that have adopted ASU 2016-13 should report in the appropriate columns for this item the balance as of the end of the previous calendar year of the allowances for credit losses of the institution or other business that combined with the reporting institution in the common control transaction.

In addition, institutions that have adopted ASU 2016-13 include in the appropriate columns of this line item the following:

a) Additional allowances recorded by the institutions resulting from the adoption of ASU 2016-13.

b) Subsequent to the adoption of ASU 2016-13, the amount of allowances for credit losses for purchased credit-deteriorated assets recorded as of their acquisition date.
Part II. (cont.)

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<td>6 (cont.)</td>
<td>If the amount reported in this item is negative, report it with a minus (-) sign. State the dollar amount of and describe each transaction included in this item in Schedule RI-E, Explanations, item 6.</td>
</tr>
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</table>

7 **Balance end of current period.** Report in columns A, B, and C the sum of items 1, 2, 5, and 6, less items 3 and 4. The amount reported in column A this item must equal the amount reported in Schedule RC, item 4.c, “Allowance for loan and lease losses.”

Memoranda

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<th>Item No.</th>
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<td>1-4</td>
<td>Not Applicable.</td>
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NOTE: Memorandum items 5 and 6 are to be completed only by institutions that have adopted ASU 2016-13.

5 **Provisions for credit losses on other financial assets measured at amortized cost (not included in RI-B Part II, item 5, columns A through C, above).** Report in this line item provisions related to allowances for credit losses on financial assets measured at amortized cost, included in Schedule RI, item 4, other than loans, leases, held-to-maturity debt securities and available-for-sale debt securities.

6 **Allowances for credit losses on other financial assets measured at amortized cost (not included in RI-B Part II, item 7, columns A through C, above).** Report in this line item total allowances related to credit losses on financial assets measured at amortized cost other than loans, leases, held-to-maturity debt securities and available-for-sale debt securities that are associated with the provisions reported in Memorandum item 5, above.
Item No. | Caption and Instructions
--- | ---
3 | **Discontinued operations and applicable income tax effect.** List and briefly describe in items 3.a and 3.b the gross dollar amount of the results of each of the discontinued operations included in Schedule RI, item 11, "Discontinued operations, net of applicable income taxes," and its related income tax effect, if any. If Schedule RI, item 11, includes the results of more than two discontinued operations, report the additional items and their related tax effects in Schedule RI-E, item 7, below.

If the results of discontinued operations are a loss, report the dollar amount with a minus (-) sign. If an applicable income tax effect is a tax benefit (rather than a tax expense), report the dollar amount with a minus (-) sign.

4 | **Cumulative effect of changes in accounting principles and corrections of material accounting errors.**

4.a | **Adoption of Current Expected Credit Loss Methodology – ASC Topic 326.** Report in this item the cumulative-effect adjustment for the changes in the allowances for credit losses, net of any related deferred tax assets, recognized in retained earnings as of the beginning of the first reporting period in which the institution adopts ASU 2016-13, which governs the accounting for credit losses. Exclude the gross up amounts of purchased credit impaired assets to purchased credit deteriorated assets, which is reported in item 6 of this schedule.

Institutions that have not adopted ASU 2016-13 leave this line item blank.

4.b and 4.c | List and briefly describe in items 4.a-b and 4.bc the dollar amount of the cumulative effect of each change in accounting principle and correction of a material accounting error, net of applicable income taxes, that is included in Schedule RI-A, item 2, other than the initial cumulative-effect adjustment for the adoption of ASU 2016-13, which would be reported in item 4.a. in this schedule. If Schedule RI-A, item 2, includes more than two accounting principle changes other than the initial adoption of ASU 2016-13, and accounting error corrections, report the cumulative effect of each additional accounting principle change and error correction in Schedule RI-E, item 7, below.

If the cumulative effect of an accounting principle change or an accounting error correction represents a reduction of the bank's equity capital, report the dollar amount with a minus (-) sign.

5 | **Other transactions with stockholders (including a parent holding company).** List and briefly describe in items 5.a and 5.b the dollar amount of each type of other transaction with the reporting institution's stockholders, including its parent holding company, if any, that is included in Schedule RI-A, item 11. If Schedule RI-A, item 11, includes more than two types of other transactions, report the additional types of other transactions in Schedule RI-E, item 7, below.

If the effect of a type of other transaction with the reporting institution's stockholders, including a parent holding company, if any, is to reduce the institution's equity capital, report the dollar amount with a minus (-) sign.

6 | **Adjustments to allowance for loan and lease credit losses.**

The sum of items 6.a, 6.b, 6.c and 6.d must equal the sum of Schedule RI-B, item 6, columns A through C.

Institutions that have not adopted ASU 2016-13 leave items 6.a and 6.b blank.
6.a. **Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets.** For institutions that have adopted ASU 2016-13, report in this item, as a positive (+) number, the initial allowance for credit losses recognized on purchased credit-deteriorated assets. Item 6.a is applicable both in the period in which an institution adopts ASU 2016-13 and in any subsequent periods in which an institution acquires purchased credit-deteriorated assets. Report only the allowance as of the acquisition date of the PCD assets. Any subsequent changes to the allowances on purchased credit-deteriorated assets would be reported in Schedule RI-B, Part II in line item 5.

6.b. **Effect of adoption of current expected credit losses methodology on allowances for credit losses on loans and leases held for investment and held-to-maturity debt securities.** Report in this item the change in the amount of allowances from initially applying ASU 2016-13 to these two categories of assets as of the effective date of the accounting standard in the period of adoption, including the initial allowance gross-up for any purchased credit-deteriorated assets held as of the effective date. For further information, see the Glossary entry “Purchased Credit Deteriorated (PCD) Loans and Debt Securities.”

6.c and 6.d **Institutions that have not adopted ASU 2016-13** List and briefly describe in items 6.ac and 6.bd the dollar amount of each type of adjustment to the allowance for loan and lease losses that is included in Schedule RI-B, Part II, item 6. If Schedule RI-B, Part II, item 6, includes more than two types of adjustments, report the additional adjustments in Schedule RI-E, item 7, below.

Institutions that have adopted ASU 2016-13 list and briefly describe in items 6.c and 6.d the dollar amount of each type of adjustment to the allowance for credit losses that is included in Schedule RI-B, part II, item 6 that are not reported in items 6.a or 6.b. If Schedule RI-B, part II, item 6, includes more than two types of adjustments that are not reported in items 6.a or 6.b, report the additional adjustments in Schedule RI-E, item 7, below.

If the effect of an adjustment is to reduce the bank’s allowance for loan and lease losses, report the dollar amount with a minus (-) sign.

7 **Other explanations.** In the space provided on the report form, the bank may, at its option, list and briefly describe any other significant items relating to the Consolidated Report of Income. The bank’s other explanations must not exceed 750 characters, including punctuation and standard spacing between words and sentences.
**Item No.**

**Caption and Instructions**

1.a (cont.)  
(2) Noninterest-bearing balances that reflect deposit credit received by the reporting bank because of credit or debit card sales slips that had been forwarded for collection. (Until credit has been received, report as noncash items in process of collection in Schedule RC-F, item 6, "All other assets.")

(3) Amounts that the reporting bank has actually passed through to a Federal Reserve Bank on behalf of its respondent depository institutions (see the Glossary entry for "pass-through reserve balances” for further discussion).

Exclude from noninterest-bearing balances due from depository institutions:

(1) Balances due from Federal Reserve Banks (report as interest-bearing balances due from depository institutions in Schedule RC, item 1.b).

(2) Deposit accounts "due to" other depository institutions that are overdrawn (report in Schedule RC-C, Part I, item 2, "Loans to depository institutions and acceptances of other banks").

(3) All noninterest-bearing balances that the reporting bank's trust department maintains with other depository institutions.

1.b **Interest-bearing balances.** Report all interest-bearing balances due from depository institutions whether in the form of demand, savings, or time balances, including certificates of deposit (CDs), even if the CDs are negotiable or have CUSIP numbers, but excluding certificates of deposit held for trading. Include balances due from Federal Reserve Banks (including balances maintained to satisfy reserve balance requirements, excess balances, and term deposits), commercial banks in the U.S., other depository institutions in the U.S., Federal Home Loan Banks, banks in foreign countries, and foreign central banks. Include the fair value of interest-bearing balances due from depository institutions that are accounted for at fair value under a fair value option.

Exclude from interest-bearing balances:

(1) Loans to depository institutions and acceptances of other banks (report in Schedule RC-C, Part I, item 2).

(2) All interest-bearing balances that the reporting bank's trust department maintains with other depository institutions.

(3) Certificates of deposit held for trading (report in Schedule RC, item 5).

(4) Investments in money market mutual funds, which, for purposes of these reports, are to be reported as investments in equity securities.

2 **Securities:**

2.a ** Held-to-maturity securities.** Report the amount from Schedule RC-B, item 8, column A, "Total amortized cost."

_Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, report the amortized cost net of any applicable allowance for credit losses. The amount reported in Schedule RC, item 2.a, must equal the amount reported in Schedule RC-B, item 8, column A, "Total amortized cost" less the amount of the allowances for credit losses reported in Schedule RI-B, Part II, item 7, column B, "Balance end of current period."_

2.b **Available-for-sale securities.** Report the amount from Schedule RC-B, item 8, column D,
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| 3.b (cont.) | Report securities purchased under agreements to resell on a gross basis, i.e., do not net them against securities sold under agreements to repurchase, 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”). Include the fair value of securities purchased under agreements to resell that are accounted for at fair value under a fair value option.  
Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, report the amount in this line item net of any applicable allowance for credit losses. For further information, see the Glossary entry for “Allowance for credit losses.”  
Exclude from this item:  
(1) Resale agreements involving assets other than securities (report in Schedule RC, item 3.a, “Federal funds sold,” or item 4.b, “Loans and leases held for investment,” as appropriate, depending on the maturity and office location of the transaction).  
(2) Due bills representing purchases of securities or other assets by the reporting bank that have not yet been delivered and similar instruments, whether collateralized or uncollateralized (report in Schedule RC, item 4.b). See the Glossary entry for “due bills.”  
(3) So-called yield maintenance dollar repurchase agreements (see the Glossary entry for ”repurchase/resale agreements”).  
For further information, see the Glossary entry for “repurchase/resale agreements.” |
| 4 | Loans and lease financing receivables. Report in the appropriate subitem loans and leases held for sale and loans and leases that the reporting bank has the intent and ability to hold for the foreseeable future or until maturity or payoff, i.e., held for investment. The sum of Schedule RC, items 4.a and 4.b, must equal Schedule RC-C, Part I, item 12.  
4.a Loans and leases held for sale. Report the amount of loans and leases held for sale. Loans and leases held for sale should be reported at the lower of cost or fair value except for those loans held for sale that the bank has elected to account for at fair value under a fair value option, which should be reported in this item at fair value. For loan and leases held for sale that are reported at the lower of cost or fair value, the amount by which cost exceeds fair value, if any, shall be accounted for as a valuation allowance within this item. No allowance for loan and lease losses should be included in Schedule RC, item 4.c, for loans and leases held for sale. All loans and leases reported in this item must also be reported by loan category in Schedule RC-C, Part I.  
Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, should not include any allowance for credit losses in Schedule RC, item 4.c, for loans and leases held for sale. |
| 4.b Loans and leases held for investment. Report the amount of loans and leases that the reporting bank has the intent and ability to hold for the foreseeable future or until maturity or payoff, i.e., loans held for investment. Include loans held for investment that the bank has elected to account for at fair value under a fair value option, which should be reported in this item at fair value. All loans and leases reported in this item must also be reported by loan category in Schedule RC-C, Part I.  
4.c Less: Allowance for loan and lease losses. Report the allowance for loan and lease losses. |
4.c (cont.)

**Caption and Instructions**

Losses as determined in accordance with the instructions in the Glossary entry for "allowance for loan and lease losses." Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, report the allowance for credit losses. For further information, see the Glossary entry for “allowance for credit losses.” Also include in this item any allocated transfer risk reserve related to loans and leases held for investment that the reporting bank is required to establish and maintain as specified in Section 905(a) of the International Lending Supervision Act of 1983, in the agency regulations implementing the Act (Subpart D of Federal Reserve Regulation K, Part 347 of the FDIC’s Rules and Regulations, and Subpart C of Part 28 of the Comptroller of the Currency’s Regulations), and in any guidelines, letters, or instructions issued by the agencies. This item must equal Report of Income Schedule RI B, Part II, item 7, column A, “Balance end of current period.”
26.a Exclude from retained earnings:

(1) Any portion of the proceeds received from the sale of common stock in excess of its par or stated value (report in Schedule RC, item 25).

(2) Any portion of the proceeds received from the sale of preferred stock in excess of its par or stated value (report in Schedule RC, item 19 or 23, as appropriate).

(3) "Reserves" that reduce the related asset balances such as valuation allowances (e.g., the allowance for loan and lease losses, or for institutions that have adopted ASU 2016-13, the allowances for credit losses), reserves for depreciation, and reserves for bond premiums.

26.b Accumulated other comprehensive income. Report the accumulated balance of other comprehensive income as of the report date in accordance with ASC Subtopic 220-10, Comprehensive Income – Overall (formerly FASB Statement No. 130, "Reporting Comprehensive Income"), net of applicable income taxes, if any. “Other comprehensive income” refers to revenues, expenses, gains, and losses that under generally accepted accounting principles are included in comprehensive income but excluded from net income.

Items of accumulated other comprehensive income include:

(1) Net unrealized holding gains (losses) on available-for-sale securities (including debt securities transferred into the available-for-sale category from the held-to-maturity category), i.e., the difference between the amortized cost and the fair value of the reporting bank’s available-for-sale securities (excluding any available-for-sale securities previously written down as other-than-temporarily impaired, or for institutions that have adopted ASU 2016-13 any allowance for credit losses).¹ For most institutions, all “securities,” as that term is defined in ASC Topic 320, Investments-Debt Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities"), that are designated as “available-for-sale” will be reported as "Available-for-sale securities" in Schedule RC, item 2.b, and in Schedule RC-B, columns C and D. However, an institution may have certain assets that fall within the definition of "securities" in ASC Topic 320 (e.g., nonrated industrial development obligations) that it has designated as "available-for-sale" and reports in a balance sheet category other than "Securities" (e.g., "Loans and lease financing receivables") for purposes of the Report of Condition. These "available-for-sale" assets must be carried on the Report of Condition balance sheet at fair value rather than amortized cost and the difference between these two amounts, net of tax effects, also must be included in this item.

¹ For example, if the fair value of the reporting institution's available-for-sale securities exceeds the amortized cost of its available-for-sale securities by $100,000 (and the institution has had no other transactions affecting the "net unrealized holding gains (losses)" account), the amount to be included in Schedule RC, item 26.b, must be reduced by the estimated amount of taxes using the institution's applicable tax rate (federal, state and local). (See the Glossary entry for "income taxes" for a discussion of "applicable tax rate.") If the institution's applicable tax rate (federal, state and local) is 40% and the tax basis of its available-for-sale securities approximates their amortized cost, the institution would include "net unrealized holding gains" of $60,000 ($100,000 - (40% x $100,000)) in Schedule RC, item 26.b. The institution would also have a deferred tax liability of $40,000 that would enter into the determination of the amount of net deferred tax assets or liabilities to be reported in Schedule RC-F, item 2, or Schedule RC-G, item 2.
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<td>26.b (cont.)</td>
<td>The unamortized balance of the unrealized holding gain (loss) that existed at the date of transfer of a debt security transferred into the held-to-maturity category from the available-for-sale category. Consistent with ASC Topic 320, when a debt security is transferred from the available-for-sale category into the held-to-maturity category, the unrealized holding gain (loss) at the date of transfer continues to be reported in the accumulated other comprehensive income account, but must be amortized over the remaining life of the security as an adjustment of yield in a manner consistent with the amortization of any premium or discount.</td>
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<td>The unaccreted 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, plus the accumulated amount of subsequent decreases (if not other-than-temporary impairment losses) or increases in the fair value of available-for-sale debt securities previously written down as other-than-temporarily impaired. Institutions that have adopted ASU 2016-13, include the unaccreted portion of unrealized losses on available-for-sale and held-to-maturity debt securities that was not recognized in earnings in accordance with ASC Topic 320, plus the accumulated amount of subsequent increases or decreases (not attributable to credit impairment) in the fair value of available-for-sale debt securities, or increases in the fair value after a write-down that resulted from the intent to sell or a more likely-than-not requirement.</td>
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<tr>
<td>4</td>
<td>Accumulated net gains (losses) on derivative instruments that are designated and qualify as cash flow hedges, i.e., the effective portion of the accumulated change in fair value (gain or loss) on derivative instruments designated and qualifying as cash flow hedges in accordance with ASC Topic 815, Derivatives and Hedging (formerly FASB Statement No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended). Under ASC Topic 815, an institution that elects to apply hedge accounting must exclude from net income the effective portion of the change in fair value of a derivative designated and qualifying as a cash flow hedge and record it on the balance sheet in the accumulated other comprehensive income component of equity capital. The ineffective portion of the change in fair value of the derivative designated and qualifying as a cash flow hedge must be reported in earnings. The component of accumulated other comprehensive income associated with a transaction hedged in a cash flow hedge should be adjusted each reporting period to a balance that reflects the lesser (in absolute amounts) of:</td>
</tr>
<tr>
<td></td>
<td>(a) The cumulative gain (loss) on the derivative from inception of the hedge, less (i) amounts excluded consistent with the institution’s defined risk management strategy and (ii) the derivative’s gains (losses) previously reclassified from accumulated other comprehensive income into earnings to offset the hedged transaction, or</td>
</tr>
</tbody>
</table>

---

2 Generally, the objective of a cash flow hedge is to link a derivative to an existing recognized asset or liability or a forecasted transaction with exposure to variability in expected future cash flows, e.g., the future interest payments (receipts) on a variable-rate liability (asset) or a forecasted purchase (sale). The changes in cash flows of the derivative are expected to offset changes in cash flows of the hedged item or transaction. To achieve the matching of cash flows, ASC Topic 815 requires that the effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges initially be reported in the accumulated other comprehensive income component of equity capital and subsequently be reclassified into earnings in the same future period or periods that the hedged transaction affects earnings.

3 The effective portion of a cash flow hedge can be described as the change in fair value of the derivative that
Item No. | Caption and Instructions
--- | ---
7 (cont.) | **Exclude** from investments in mutual funds and other equity securities with readily determinable fair values:

1. Federal Reserve Bank stock (report as an equity security without a readily determinable fair value in Schedule RC-F, item 4).
2. Federal Home Loan Bank stock (report as an equity security without a readily determinable fair value in Schedule RC-F, item 4).
3. Common and preferred stocks that do not have readily determinable fair values, such as stock of bankers' banks and Class B voting common stock of the Federal Agricultural Mortgage Corporation (Farmer Mac) (report in Schedule RC-F, item 4).
4. Preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor (i.e., redeemable or limited-life preferred stock), including trust preferred securities subject to mandatory redemption (report such preferred stock as an other debt security in Schedule RC-B, item 6, above).
5. "Restricted stock," i.e., equity securities for which sale is restricted by governmental or contractual requirement (other than in connection with being pledged as collateral), except if that requirement terminates within one year or if the holder has the power by contract or otherwise to cause the requirement to be met within one year (if the restriction does not terminate within one year, report "restricted stock" as an equity security that does not have a readily determinable fair value in Schedule RC-F, item 4).
6. Participation certificates issued by a Federal Intermediate Credit Bank, which represent nonvoting stock in the bank (report as an equity security that does not have a readily determinable fair value in Schedule RC-F, item 4).
7. Minority interests held by the reporting bank in any companies not meeting the definition of associated company (report as equity securities that do not have a readily determinable fair value in Schedule RC-F, item 4), except minority holdings that indirectly represent bank premises (report in Schedule RC, item 6) or other real estate owned (report in Schedule RC, item 7), provided that the fair value of any capital stock representing the minority interest is not readily determinable. (See the Glossary entry for "subsidiaries" for the definition of associated company.)
8. Equity holdings in those corporate joint ventures over which the reporting bank does not exercise significant influence (report as equity securities that do not have a readily determinable fair value in Schedule RC-F, item 4), except equity holdings that indirectly represent bank premises (report in Schedule RC, item 6) or other real estate owned (report in Schedule RC, item 7). (See the Glossary entry for "subsidiaries" for the definition of corporate joint venture.)
9. Holdings of capital stock of and investments in unconsolidated subsidiaries, associated companies, and those corporate joint ventures over which the reporting bank exercises significant influence (report in Schedule RC, item 8, "Investments in unconsolidated subsidiaries and associated companies").

8 | **Total.** Report the sum of items 1 through 7. The total of column A for this item must equal Schedule RC, item 2.a, "Held-to-maturity securities." The total of column D for this item must equal Schedule RC, item 2.b, "Available-for-sale securities."

For institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, the total of column A for this item must equal Schedule RC, item 2.a, "Held-to-maturity securities" plus Schedule RI-B, Part II, item 7, column B, "Balance end of current quarter."
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Caption and Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>(cont.) Period and the total of column D for this item must equal Schedule RC, item 2.b, &quot;Available-for-sale securities.&quot;</td>
</tr>
</tbody>
</table>
General Instructions for Part I (cont.)

Report loans and leases held for investment in this schedule without any deduction for loss allowances for loans and leases, or for institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, allowances for credit losses on loans and leases or allocated transfer risk reserves related to loans and leases, which are to be reported in Schedule RC, item 4.c, "Allowance for loan and lease losses." Each item in this schedule should be reported net of (1) unearned income (to the extent possible) and (2) deposits accumulated for the payment of personal loans (hypothesized deposits). Net unamortized loan fees represent an adjustment of the loan yield, and shall be reported in this schedule in the same manner as unearned income on loans, i.e., deducted from the related loan balances (to the extent possible) or deducted from total loans in Schedule RC-C, Part I, item 11, "LESS: Any unearned income on loans reflected in items 1-9 above." Net unamortized direct loan origination costs shall be added to the related loan balances in each item in this schedule. (See the Glossary entry for "loan fees" for further information.)

For institutions that have adopted ASU 2016-13, report unearned income on "purchased credit-deteriorated assets" in accordance with the instructions above.

For institutions that have not adopted ASU 2016-13, "purchased credit-impaired loans" are loans accounted for in accordance with ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), that a bank has purchased, including those acquired in a purchase business combination, where there is evidence of deterioration of credit quality since the origination of the loan and it is probable, at the purchase date, that the bank will be unable to collect all contractually required payments receivable. Neither the accretable yield nor the nonaccretable difference associated with purchased credit-impaired loans should be reported as unearned income in Schedule RC-C, Part I, item 11. In addition, the nonaccretable difference must not be recognized as an adjustment of yield, loss accrual, or valuation allowance.

If, as a result of a change in circumstances, the bank regains control of a loan previously accounted for appropriately as having been sold because one or more of the conditions for sale accounting in ASC Topic 860 are no longer met, such a change should be accounted for in the same manner as a purchase of the loan from the former transferee (purchaser) in exchange for liabilities assumed. The rebooked loan must be reported as a loan asset in Schedule RC-C, Part I, either as a loan held for sale or a loan held for investment, based on facts and circumstances, in accordance with generally accepted accounting principles. This accounting and reporting treatment applies, for example, to U.S. Government-guaranteed or -insured residential mortgage loans backing Government National Mortgage Association (GNMA) mortgage-backed securities that a bank services after it has securitized the loans in a transfer accounted for as a sale. If and when individual loans later meet delinquency criteria specified by GNMA, the loans are eligible for repurchase, the bank is deemed to have regained effective control over these loans, and the delinquent loans must be brought back onto the bank’s books as loan assets.

All loans should be categorized in Schedule RC-C, Part I, according to security, borrower, or purpose. All loans satisfying the criteria in the Glossary entry for "Loan secured by real estate" (except those to states and political subdivisions in the U.S.) should be categorized as "Loans secured by real estate" in Schedule RC-C, part I. Loans secured by other collateral, such as securities, inventory, or automobiles, would require further examination of both purpose and borrower to properly categorize the loans in Schedule RC-C, part I. For loan categories in Schedule RC-C, part I, that include certain loans to individuals, the term "individual" may include a trust or other entity that acts on behalf of (or in place of) an individual or a group of individuals for purposes of obtaining the loan. Loans covering two or more categories are sometimes difficult to categorize. In such instances, categorize the entire loan according to the major criterion.

Report in Schedule RC-C, Part I, all loans and leases on the books of the reporting bank even if on the report date they are past due and collection is doubtful. Exclude any loans or leases the bank has sold or charged off. Also exclude assets received in full or partial satisfaction of a loan or lease (unless the asset received is itself reportable as a loan or lease) and any loans for which the bank has obtained physical
Part I. (cont.)

Memoranda

Item No. Caption and Instructions

NOTE: Memorandum items 7.a. and 7.b. are to be completed only by institutions that have not adopted ASU 2016-13 and are to be reported semiannually in the June and December reports only. Institutions that have adopted ASU 2016-13 should leave these two items blank.

7 Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC Subtopic 310-30. Report in the appropriate subitem the outstanding balance and amount of “purchased credit-impaired loans” reported as held for investment in Schedule RC-C, Part I, items 1 through 9, and accounted for in accordance with ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”). Purchased credit-impaired loans are loans that a bank has purchased, including those acquired in a purchase business combination, where there is evidence of deterioration of credit quality since the origination of the loan and it is probable, at the purchase date, that the bank will be unable to collect all contractually required payments receivable. Loans held for investment are those that the bank has the intent and ability to hold for the foreseeable future or until maturity or payoff.

7.a Outstanding balance. Report the outstanding balance of all purchased credit-impaired loans reported as held for investment in Schedule RC-C, Part I, items 1 through 9. The outstanding balance is the undiscounted sum of all amounts, including amounts deemed principal, interest, fees, penalties, and other under the loan, owed to the bank at the report date, whether or not currently due and whether or not any such amounts have been charged off by the bank. However, the outstanding balance does not include amounts that would be accrued under the contract as interest, fees, penalties, and other after the report date.

7.b Amount included in Schedule RC-C, Part I, items 1 through 9. Report the amount of, i.e., the recorded investment in, all purchased credit-impaired loans reported as held for investment. The recorded investment in these loans will have been included in Schedule RC-C, Part I, items 1 through 9.

8 Closed-end loans with negative amortization features secured by 1-4 family residential properties. Report in the appropriate subitem the amount of closed-end loans with negative amortization features secured by 1-4 family residential properties and, if certain criteria are met, the maximum remaining amount of negative amortization contractually permitted on these loans and the total amount of negative amortization included in the amount of these loans. Negative amortization refers to a method in which a loan is structured so that the borrower’s minimum monthly (or other periodic) payment is contractually permitted to be less than the full amount of interest owed to the lender, with the unpaid interest added to the loan’s principal balance. The contractual terms of the loan provide that if the borrower allows the principal balance to rise to a pre-specified amount or maximum cap, the loan payments are then recast to a fully amortizing schedule. Negative amortization features may be applied to either adjustable rate mortgages or fixed rate mortgages, the latter commonly referred to as graduated payment mortgages (GPMs).

Exclude reverse 1-4 family residential mortgage loans as described in the instructions for Schedule RC-C, Part I, item 1.c.
Part I. (cont.)

Memoranda

Item No.  Caption and Instructions

NOTE: Memorandum item 12 is to be completed semiannually in the June and December reports only.

12  Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year. Report in the appropriate column the specified information on loans and leases held for investment purposes that were acquired in a business combination, as prescribed under ASC Topic 805, Business Combinations (formerly FASB Statement No. 141(R), "Business Combinations"), with an acquisition date in the current calendar year. The acquisition date is the date on which the bank obtains control of the acquiree. If the reporting bank was acquired in a transaction during the calendar year pursuant to ASC Topic 805 and push down accounting was applied, report the specified information on the bank’s loans and leases reported as held for investment after the application of push down accounting.

Loans and leases acquired in the current calendar year should be reported in this item in the reports for June 30 and December 31 of the current calendar year, as appropriate, regardless of whether the bank still holds the loans and leases. For example, loans and leases acquired in a business combination with an acquisition date in the first six months of the current calendar year should be reported in this item in both the June 30 and December 31 reports for the current calendar year; loans and leases acquired in the second six months of the current calendar year should be reported in the December 31 report for the current calendar year.

Exclude purchased credit-impaired loans held for investment that are accounted for in accordance with ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”) (report information on such loans in Schedule RC-C, Memorandum item 7). For further information, see the Glossary entry for “purchased credit-impaired loans and debt securities.”

For institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, exclude purchased credit-deteriorated loans held for investment. For further information, see the Glossary entries for “Purchased Credit Deteriorated (PCD) Loans and Debt Securities.”

(For further information, see the Glossary entry for “purchased credit-impaired loans and debt securities.”)

Column Instructions

Column A, Fair value of acquired loans and leases at acquisition date: Report in this column the total fair value of acquired loans and leases held for investment at the acquisition date (see the Glossary entry for “fair value”).

For institutions that have adopted ASU 2016-13, report the purchase price in column A.

Column B, Gross contractual amounts receivable at acquisition date: Report in this column the gross contractual amounts receivable, i.e., the total undiscounted amount of all uncollected contractual principal and contractual interest payments on the receivable, both past due, if any, and scheduled to be paid in the future, on the acquired loans and leases held for investment at the acquisition date.
## Item No. | Caption and Instructions
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12. (cont.) | For institutions that have adopted ASU 2016-13, report the expected cash flows of the acquired loans and leases as of the acquisition date in column B.

**Column C, Best estimate at acquisition date of contractual cash flows not expected to be collected:** Report in this column the bank’s best estimate at the acquisition date of the portion of the gross contractual cash flows receivable on acquired loans and leases held for investment that the bank does not expect to collect.

For institutions that have adopted ASU 2016-13, report the allowance for credit losses an institution would have recorded as of the acquisition date, column C.

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1 Control has the meaning of “controlling financial interest” in ASC Subtopic 810-10, Consolidation – Overall (formerly Accounting Research Bulletin No. 51, “Consolidated Financial Statements,” as amended).
SCHEDULE RC-F – OTHER ASSETS

**Item Instructions**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Caption and Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>Accrued interest receivable.</strong> Report the amount of interest earned or accrued on earning assets and applicable to current or prior periods that has not yet been collected.</td>
</tr>
<tr>
<td></td>
<td>Exclude retained interests in accrued interest receivable related to securitized credit cards (report in Schedule RC-F, item 6, &quot;All other assets&quot;).</td>
</tr>
<tr>
<td></td>
<td>Institutions that have adopted ASU 2016-13, report amounts in this line item net of any applicable allowances for credit losses. Exclude accrued interest receivables that are reported elsewhere on the balance sheet as part of a financial asset’s amortized cost.</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>Net deferred tax assets.</strong> Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a debit balance. If the result for a particular tax jurisdiction is a net credit balance, report the amount in Schedule RC-G, item 2, &quot;Net deferred tax liabilities.&quot; If the result for each tax jurisdiction is a net credit balance, enter a zero in this item. (A bank may report a net deferred tax debit, or asset, for one tax jurisdiction, such as for federal income tax purposes, and also report at the same time a net deferred tax credit, or liability, for another tax jurisdiction, such as for state or local income tax purposes.)</td>
</tr>
<tr>
<td></td>
<td>For further information on calculating deferred taxes for different tax jurisdictions, see the Glossary entry for &quot;income taxes.&quot;</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>Interest-only strips receivable (not in the form of a security).</strong> Report the fair value of interest-only strips receivable (not in the form of a security) on mortgage loans and all other financial assets.</td>
</tr>
<tr>
<td></td>
<td>As defined in 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), an interest-only strip receivable is the contractual right to receive some or all of the interest due on a bond, mortgage loan, collateralized mortgage obligation, or other interest-bearing financial asset. This includes, for example, contractual rights to future interest cash flows that exceed contractually specified servicing fees on financial assets that have been sold. Report in the appropriate subitem interest-only strips receivable not in the form of a security that are measured at fair value like available-for-sale securities. Report unrealized gains (losses) on these interest-only strips receivable in Schedule RC, item 26.b, &quot;Accumulated other comprehensive income.&quot;</td>
</tr>
<tr>
<td></td>
<td>Exclude from this item interest-only strips receivable in the form of a security, which should be reported as available-for-sale securities in Schedule RC, Item 2.b, or as trading assets in Schedule RC, item 5, as appropriate. Also exclude interest-only strips not in the form of a security that are held for trading, which should be reported in Schedule RC, item 5.</td>
</tr>
</tbody>
</table>
Item No. | Caption and Instructions
---|---
5.a | **General account life insurance assets.** Report the amount of the bank’s holdings of life insurance assets associated with general account insurance policies. In a general account life insurance policy, the general assets of the insurance company issuing the policy support the policy’s cash surrender value.

Also include the portion of the carrying value of:

1. Separate account policies that represents general account claims on the insurance company, such as realizable deferred acquisition costs and mortality reserves; and

2. Hybrid account policies that represents general account claims on the insurance company, such as any shortfall in the value of the separate account assets supporting the cash surrender value of the policies.

5.b | **Separate account life insurance assets.** Report the amount of the bank’s holdings of life insurance assets associated with separate account insurance policies. In a separate account policy, the policy’s cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account, but does assume all investment and price risk.

Separate accounts are employed by life insurers to meet specific investment objectives of policyholders. The accounts are often maintained as separate accounting and reporting entities for pension plans as well as fixed benefit, variable annuity, and other products. Investment income and investment gains and losses generally accrue directly to such policyholders and are not accounted for on the general accounts of the insurer. On the books of the insurer, the carrying values of separate account assets and liabilities usually approximate each other with little associated capital. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company.

5.c | **Hybrid account life insurance assets.** Report the amount of the bank’s holdings of life insurance assets associated with hybrid account insurance policies. A hybrid account insurance policy combines features of both general and separate account insurance products. Similar to a general account life insurance policy, a hybrid policy offers a guaranteed minimum crediting rate, does not carry market value risk, and does not require stable value protection. However, like a separate account life insurance policy, a hybrid policy’s cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company. Additionally, the bank holding the hybrid account life insurance policy is able to select the investment strategy in which the insurance premiums are invested. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account.

NOTE: Items 6.a through 6.j are to be completed semiannually in the June and December reports only.

6 | **All other assets.** Report the amount of all other assets (other than those reported in Schedule RC-F, items 1, 2, 3, 4, and 5, above) that cannot properly be reported in Schedule RC, items 1 through 10.
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Caption and Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 (cont.)</td>
<td>Institutions that have adopted ASU 2016-13 report financial assets included within this line item net of any applicable allowances for credit losses.</td>
</tr>
</tbody>
</table>
SCHEDULE RC-G – OTHER LIABILITIES

Item Instructions

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Caption and Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.a</td>
<td><strong>Interest accrued and unpaid on deposits.</strong> Report the amount of interest on deposits accrued through charges to expense during the current or prior periods, but not yet paid or credited to a deposit account. For savings banks, include in this item “dividends” accrued and unpaid on deposits.</td>
</tr>
<tr>
<td>1.b</td>
<td><strong>Other expenses accrued and unpaid.</strong> Report the amount of income taxes, interest on nondeposit liabilities, and other expenses accrued through charges to expense during the current or prior periods, but not yet paid. Exclude interest accrued and unpaid on deposits (report such accrued interest in Schedule RC-G, item 1.a above).</td>
</tr>
<tr>
<td>2</td>
<td><strong>Net deferred tax liabilities.</strong> Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a credit balance. If the result for a particular tax jurisdiction is a net debit balance, report the amount in Schedule RC-F, item 2, “Net deferred tax assets.” If the result for each tax jurisdiction is a net debit balance, enter a zero in this item. (A bank may report a net deferred tax debit, or asset, for one tax jurisdiction, such as for federal income tax purposes, and also report at the same time a net deferred tax credit, or liability, for another tax jurisdiction, such as for state or local income tax purposes.) For further information on calculating deferred taxes for different tax jurisdictions, see the Glossary entry for “income taxes.”</td>
</tr>
<tr>
<td>3</td>
<td><strong>Allowance for credit losses on off-balance sheet credit exposures.</strong> Report the amount of any allowance for credit losses on off-balance sheet exposures established in accordance with generally accepted accounting principles.</td>
</tr>
</tbody>
</table>

Institutions that have adopted ASU 2016-13 exclude credit losses on off-balance sheet credit exposures that are unconditionally cancellable.

NOTE: Items 4.a through 4.g are to be completed semiannually in the June and December reports only.

| 4 | **All other liabilities.** Report the amount of all other liabilities (other than those reported in Schedule RC-G, items 1, 2, and 3, above) that cannot properly be reported in Schedule RC, items 13 through 19. |

Disclose in items 4.a through 4.g each component of all other liabilities, and the dollar amount of such component, that is greater than $100,000 and exceeds 25 percent of the amount reported for this item.

For each component of all other liabilities that exceeds this disclosure threshold for which a preprinted caption has not been provided in Schedule RC-G, items 4.a through 4.d, describe the component with a clear but concise caption in Schedule RC-G, items 4.e through 4.g. These descriptions should not exceed 50 characters in length (including spacing between words).

Include as all other liabilities:
SCHEDULE RC-K – QUARTERLY AVERAGES

General Instructions

Report for the items on this schedule the average of the balances as of the close of business for each day for the calendar quarter or an average of the balances as of the close of business on each Wednesday during the calendar quarter. For days that an office of the bank (or any of its consolidated subsidiaries or branches) is closed (e.g., Saturdays, Sundays, or holidays), use the amount outstanding from the previous business day. An office is considered closed if there are no transactions posted to the general ledger as of that date.

If the reporting institution was the acquirer in a business combination accounted for under the acquisition method for which the acquisition date was during the calendar quarter, the quarterly averages for the reporting institution should include in the numerator:

- Dollar amounts for the reporting institution for each day (or each Wednesday) from the beginning of the quarter until the acquisition date and
- Dollar amounts for the reporting institution and the acquired institution or business for each day (or each Wednesday) from the acquisition date through the end of the quarter

and should include in the denominator the number of days (or Wednesdays) in the entire quarter.

If the reporting institution was acquired in a transaction that became effective during the calendar quarter, retained its separate corporate existence, and elected to apply pushdown accounting in its separate financial statements (including the Consolidated Reports of Condition and Income), the quarterly averages for the reporting institution should include only the dollar amounts for each day (or each Wednesday) from the acquisition date to the end of the quarter in the numerator and the number of days (or Wednesdays) from the acquisition date through the end of the quarter in the denominator.

If the reporting institution was involved in a transaction between entities under common control that became effective during the calendar quarter and has been accounted for in a manner similar to a pooling of interests, the quarterly averages for the reporting institution should include dollar amounts for both the reporting institution and the institution or business that was combined in the transaction for each day (or each Wednesday) from the beginning to the end of the quarter in the numerator and the number of days (or Wednesdays) in the entire quarter in the denominator.

For further information on business combinations, pushdown accounting, and transactions between entities under common control, see the Glossary entry for "business combinations."

If the bank began operating during the calendar quarter, the quarterly averages for the bank should include only the dollar amounts for the days (or Wednesdays) since the bank began operating in the numerator and the number of days (or Wednesdays) since the bank began operating in the denominator.

For all banks, the loan categories specified in item 6 of this schedule correspond to the loan category definitions for Schedule RC-C, Part I, Loans and Leases.

Institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, exclude allowances for credit losses from the related amortized cost amounts when calculating the quarterly averages for all debt securities.
SCHEDULE RC-N – PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

General Instructions

Report on a fully consolidated basis all loans, leases, debt securities, and other assets that are past due or are in nonaccrual status, regardless of whether such credits are secured or unsecured and regardless of whether such credits are guaranteed or insured by the U.S. Government or by others. For assets that are past due or in nonaccrual status, report the balance sheet amount of the asset in Schedule RC-N, i.e., the amount at which the asset is reported in the applicable asset category on Schedule RC, Balance Sheet (e.g., in item 4.b, “Loans and leases held for investment”), not simply the asset’s delinquent payments.

Institutions that have adopted ASU 2016-13, ASC Subtopic 326, “Financial Instruments – Credit Losses” that supersedes ASC Subtopic 310-30, “Accounting for Purchased Loans with Deteriorated Credit Quality”, for assets that are past due or in nonaccrual status, report the balance sheet amount of the asset without any deductions for any applicable allowance for credit losses in Schedule RC-N, not simply the asset’s delinquent payments. For example, the amount of a loan that is reported in Schedule RC-N should equal the amount that is reported on Schedule RC, Balance Sheet, item 4.b, “Loans and leases held for investment,” and the amount of a held-to-maturity security that is reported in item 10, “Debt securities and other assets (exclude other real estate owned and other repossessed assets)” on Schedule RC-N should equal the asset amount reported on Schedule RC, Balance Sheet, item 2.a, “Held-to-maturity securities” plus Schedule RI-B, Part II, item 7, column B, “Balance end of current period”.

Loan amounts should be reported net of unearned income to the extent that they are reported net of unearned income in Schedule RC-C. All lease, debt security, and other asset amounts must be reported net of unearned income.

For purposes of these reports, “GNMA loans” are residential mortgage loans insured or guaranteed by the Federal Housing Administration (FHA), the Department of Agriculture Rural Development (RD) program (formerly the Farmers Home Administration (FmHA)), or the Department of Veterans Affairs (VA) or guaranteed by the Secretary of Housing and Urban Development and administered by the Office of Public and Indian Housing (PIH) that back Government National Mortgage Association (GNMA) securities. When an institution services GNMA loans after it has securitized the loans in a transfer accounted for as a sale, 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) requires the institution to bring individual delinquent GNMA loans that it previously accounted for as sold back onto its books as loan assets when, under the GNMA Mortgage-Backed Securities Guide, the loan meets GNMA’s specified delinquency criteria and is eligible for repurchase. This rebooking of GNMA loans is required regardless of whether the institution, as seller-servicer, intends to exercise the repurchase (buy-back) option. A seller-servicer must report all delinquent rebooked GNMA loans that have been repurchased or are eligible for repurchase as past due in Schedule RC-N in accordance with their contractual repayment terms. In addition, if an institution services GNMA loans, but was not the transferor of the loans that were securitized, and purchases individual delinquent loans out of the GNMA securitization, the institution must report the purchased loans as past due in Schedule RC-N in accordance with their contractual repayment terms even though the institution was not required to record the delinquent GNMA loans as assets prior to purchasing the loans. Such delinquent GNMA loans should be reported in items 1.c, 11, and 11.b of Schedule RC-N.

Definitions

Past Due – The past due status of a loan or other asset should be determined in accordance with its contractual repayment terms. For purposes of this schedule, grace periods allowed by the bank after a loan or other asset technically has become past due but before the imposition of late charges are not to be taken into account in determining past due status. Furthermore, loans, leases, debt securities, and
Definitions (cont.)

(2) Open-end credit such as credit cards, check credit, and other revolving credit plans are to be reported as past due when the customer has not made the minimum payment for two or more billing cycles.

(3) Single payment and demand notes, debt securities, and other assets providing for the payment of interest at stated intervals are to be reported as past due after one interest payment is due and unpaid for 30 days or more.

(4) Single payment notes, debt securities, and other assets providing for the payment of interest at maturity are to be reported as past due after maturity if interest or principal remains unpaid for 30 days or more.

(5) Unplanned overdrafts are to be reported as past due if the account remains continuously overdrawn for 30 days or more.

For purposes of this schedule, banks should use one of two methods to recognize partial payments on “retail credit,” i.e., open-end and closed-end credit extended to individuals for household, family, and other personal expenditures, including consumer loans and credit cards, and loans to individuals secured by their personal residence, including home equity and home improvement loans. A payment equivalent to 90 percent or more of the contractual payment may be considered a full payment in computing delinquency. Alternatively, a bank may aggregate payments and give credit for any partial payment received. For example, if a regular monthly installment is $300 and the borrower makes payments of only $150 per month for a six-month period, the loan would be $900 ($150 shortage times six payments), or three monthly payments past due. A bank may use either or both methods for its retail credit, but may not use both methods simultaneously with a single loan.

When accrual of income on a purchased credit-impaired loan accounted for individually or a purchased credit-impaired debt security is appropriate, the delinquency status of the individual asset should be determined in accordance with its contractual repayment terms for purposes of reporting the amount of the loan or debt security as past due in the appropriate items of Schedule RC-N, column A or B. When accrual of income on a pool of purchased credit-impaired loans with common risk characteristics is appropriate, delinquency status should be determined individually for each loan in the pool in accordance with the individual loan’s contractual repayment terms for purposes of reporting the amount of individual loans within the pool as past due in the appropriate items of Schedule RC-N, column A or B. For further information, see the Glossary entry for “purchased credit-impaired loans and debt securities.”

For institutions that have adopted ASU 2016-13, the outstanding purchased credit-impaired loans and debt securities as of the adoption date of the standard should prospectively be accounted for as purchased credit-deteriorated financial assets. As of the adoption date of the standard, the remaining noncredit discount, after the adjustment for the allowance for credit losses, shall be accreted to interest income at the new effective interest rate, if it is not required to be placed on nonaccrual. Nonaccrual determination and treatment for purchased credit-deteriorated loans, debt securities, and other financial assets that fall within the scope of ASU 2016-13 should be considered in the same manner as other financial assets in an institution’s portfolio. For further information, see Glossary entry for “purchased credit-deteriorated financial assets.”

Nonaccrual – For purposes of this schedule, an asset is to be reported as being in nonaccrual status if:

(1) It is maintained on a cash basis because of deterioration in the financial condition of the borrower,

(2) Payment in full of principal or interest is not expected, or

(3) Principal or interest has been in default for a period of 90 days or more unless the asset is both well secured and in the process of collection.

An asset is “well secured” if it is secured (1) by collateral in the form of liens on or pledges of real or
Definitions (cont.)

Restructured in Troubled Debt Restructurings – A troubled debt restructuring is a restructuring of a loan in which a bank, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. For purposes of this schedule, the concession consists of a modification of terms, such as a reduction of the loan's stated interest rate, principal, or accrued interest or an extension of the loan's maturity date at a stated interest rate lower than the current market rate for new debt with similar risk, regardless of whether the loan is secured or unsecured and regardless of whether the loan is guaranteed by the government or by others.

Once an obligation has been restructured in a troubled debt restructuring, it continues to be considered a troubled debt restructuring until paid in full or otherwise settled, sold, or charged off (or meets the conditions discussed under “Accounting for a Subsequent Restructuring of a Troubled Debt Restructuring” in the Glossary entry for “troubled debt restructurings”). However, if a restructured obligation is in compliance with its modified terms and the restructuring agreement specifies an interest rate that at the time of the restructuring is greater than or equal to the rate that the bank was willing to accept for a new extension of credit with comparable risk, the loan need not continue to be reported as a troubled debt restructuring in calendar years after the year in which the restructuring took place. A loan extended or renewed at a stated interest rate equal to the current interest rate for new debt with similar risk is not considered a troubled debt restructuring. Also, a loan to a third party purchaser of "other real estate owned" by the reporting bank for the purpose of facilitating the disposal of such real estate is not considered a troubled debt restructuring.

For further information, see the Glossary entry for "troubled debt restructurings."

Column Instructions

Institutions that have adopted ASU 2016-13, report in columns A and B of Schedule RC-N asset amounts without any deduction for allowances for credit losses.

The columns of Schedule RC-N are mutually exclusive. Any given loan, lease, debt security, or other asset should be reported in only one of columns A, B, and C. Information reported for any given derivative contract should be reported in only column A or column B.

Report in columns A and B of Schedule RC-N the balance sheet amounts of (not just the delinquent payments on) loans, leases, debt securities, and other assets that are past due and upon which the bank continues to accrue interest, as follows:

(1) In column A, report closed-end monthly installment loans, amortizing loans secured by real estate, lease financing receivables, and open-end credit in arrears two or three monthly payments; other multipayment obligations with payments scheduled other than monthly when one scheduled payment is due and unpaid for 30 through 89 days; single payment and demand notes, debt securities, and other assets providing for payment of interest at stated intervals after one interest payment is due and unpaid for 30 through 89 days; single payment notes, debt securities, and other assets providing for payment of interest at maturity, on which interest or principal remains unpaid for 30 through 89 days after maturity; unplanned overdrafts, whether or not the bank is accruing interest on them, if the account remains continuously overdrawn for 30 through 89 days.

(2) In column B, report the loans, lease financing receivables, debt securities, and other assets as specified above on which payment is due and unpaid for 90 days or more.

Include in columns A and B, as appropriate, all loans, leases, debt securities, and other assets which, subsequent to their restructuring by means of a modification of terms, have become 30 days or more past due and upon which the bank continues to accrue interest. Exclude from columns A and B all loans, leases, debt securities, and other assets that are in nonaccrual status.
Memoranda

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<tr>
<td>7</td>
<td>reduced, for example, by any charge-offs or sales of such nonaccrual assets. If a given asset status more than once during the six month period ending on the current semiannual report date, report the amount of the asset only once.</td>
</tr>
<tr>
<td>8</td>
<td><strong>Nonaccrual assets sold during the previous six months.</strong> Report the total of the outstanding balances of all loans, leases, debt securities, and other assets held in nonaccrual status (i.e., reportable in Schedule RC-N, column C, items 1 through 8 and 10) that were sold during the six months ending on the semiannual (i.e., June 30 or December 31) report date for this item. The amount to be included in this item is the outstanding balance (net of unearned income) of each nonaccrual asset at the time of its sale. Do not report the sales price of the nonaccrual assets and do not include any gains or losses from the sale. For purposes of this item, only include those transfers of nonaccrual assets that meet the criteria for a sale as set forth in 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). For further information, see the Glossary entry for “transfers of financial assets.”</td>
</tr>
<tr>
<td>9</td>
<td><strong>Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3).</strong></td>
</tr>
</tbody>
</table>

**Memorandum items 9.a and 9.b is to be completed only by institutions that have not yet adopted ASU 2016-13. Institutions that have adopted ASU 2016-13 should leave these items blank.**

Report in the appropriate subitem and column the outstanding balance and amount of “purchased credit-impaired loans” reported as held for investment in Schedule RC-C, Part I, Memorandum items 7.a and 7.b, respectively, that are past due 30 days or more or are in nonaccrual status as of the report date. The amount of such loans will have been included by loan category in items 1 through 7 of Schedule RC-N, above. Purchased credit-impaired loans are accounted for in accordance with ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”). Purchased credit-impaired loans are loans that an institution has purchased, including those acquired in a purchase business combination, where there is evidence of deterioration of credit quality since the origination of the loan and it is probable, at the purchase date, that the institution will be unable to collect all contractually required payments receivable. Loans held for investment are those that the institution has the intent and ability to hold for the foreseeable future or until maturity or payoff.

For guidance on determining the delinquency and nonaccrual status of purchased credit-impaired loans accounted for individually and purchased credit-impaired loans with common risk characteristics that are aggregated and accounted for as a pool, refer to the “Definitions” section of the Schedule RC-N instructions and the Glossary entry for “purchased credit-impaired loans and debt securities.”

**9.a Outstanding balance.** Report in the appropriate column the outstanding balance of all purchased credit-impaired loans reported as held for investment in Schedule RC-C, Part I, Memorandum item 7.a, that are past due 30 days or more or are in nonaccrual status as of the report date. The outstanding balance is the undiscounted sum of all amounts, including amounts deemed principal, interest, fees, penalties, and other under the loan, owed to the institution at the report date, whether or not currently due and whether or not any such amounts have been charged off by the institution. However, the outstanding balance does not include amounts that would be accrued under the contract as interest, fees, penalties, and other after the report date.
### Item Instructions for Schedule RC-R, Part I.

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<tr>
<td><strong>Common Equity Tier 1 Capital</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td><strong>Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares.</strong> Report the sum of Schedule RC, items 24, 25, and 26.c, as follows:</td>
</tr>
<tr>
<td></td>
<td>(1) <strong>Common stock:</strong> Report the amount of common stock reported in Schedule RC, item 24, provided it meets the criteria for common equity tier 1 capital based on the regulatory capital rules of the institution’s primary federal supervisor. Include capital instruments issued by mutual banking organizations that meet the criteria for common equity tier 1 capital.</td>
</tr>
<tr>
<td></td>
<td>(2) <strong>Related surplus:</strong> Adjust the amount reported in Schedule RC, item 25 as follows: include the net amount formally transferred to the surplus account, including capital contributions, and any amount received for common stock in excess of its par or stated value on or before the report date; exclude adjustments arising from treasury stock transactions.</td>
</tr>
<tr>
<td></td>
<td>(3) <strong>Treasury stock, unearned ESOP shares, and any other contra-equity components:</strong> Report the amount of contra-equity components reported in Schedule RC, item 26.c. Because contra-equity components reduce equity capital, the amount reported in Schedule RC, item 26.c, is a negative amount.</td>
</tr>
<tr>
<td>2</td>
<td><strong>Retained earnings.</strong> Report the amount of the institution’s retained earnings as reported in Schedule RC, item 26.a.</td>
</tr>
</tbody>
</table>

An institution that has elected to apply the CECL transition provision (electing institution) also includes its applicable CECL transitional amount, in accordance with section 301 of the regulatory capital rules. Specifically, an electing institution includes seventy-five percent of its CECL transitional amount during the first year of the transition period, fifty percent of its CECL transitional amount during the second year of the transition period, and twenty-five percent of its CECL transitional amount during the third year of the transition period.

An electing advanced approaches institution (1) that has completed the parallel run process and has received notification from its primary Federal regulator pursuant to section 121(d) under subpart E of the regulatory capital rules, (2) whose amount of expected credit loss exceeded its eligible credit reserves immediately prior to the adoption of CECL, and (3) would have an increase in CET1 capital as of the beginning of the fiscal year in which it adopts CECL after including the first year portion of the CECL transitional amount must decrease its CECL transitional amount by its DTA transitional amount.

**Example and a worksheet calculation**

**Assumptions:**
- For example, consider an institution that elects to apply the CECL transition and that has a CECL effective date of January 1, 2020 and a 21 percent tax rate.
- On the closing balance sheet date immediately prior to adopting CECL (i.e., December 31, 2019), the electing institution has $10 million in retained earnings and $1 million of ALLL. On the opening balance sheet date immediately after adopting CECL (i.e., January 1, 2020), the electing institution has $1.2 million of ACL.
- The electing institution recognizes the adoption of CECL by recording an increase to ACL (credit) of $200,000, with an offsetting increase in temporary difference DTAs of $42,000 (debit) and a reduction in beginning retained earnings of $158,000 (debit).
• For each of the quarterly reporting periods in year 1 of the transition period (i.e., 2020), the electing institution increases both retained earnings and average total consolidated assets by $118,500 ($158,000 x 75 percent), decreases temporary difference DTAs by $31,500 ($42,000 x 75 percent), and decreases ACL by $150,000 ($200,000 x 75 percent) for purposes of calculating its regulatory capital ratios. The remainder of the CECL transition provision of the electing institution is transitioned into regulatory capital according to the schedule provided in Table X.

[An advanced approaches institution that has completed the parallel run process and has received notification from its primary Federal regulatory pursuant to §217.121(d) under subpart E of the regulatory capital rules, has an ECR shortfall immediately prior to the adoption of CECL, would have an increase in CET1 capital as of the beginning of the fiscal year in which it adopts CECL after including the first year portion of the CECL transitional amount, and, upon the adoption of CECL, records an increase to ACL (credit) of $200,000, with an offsetting increase in temporary difference DTAs of $42,000 (debit), and a reduction in beginning retained earnings of $158,000 (debit), then that banking organization would have a CECL transitional amount of $116,000 ($158,000 - $42,000), and would apply $67,000 in year 1, $58,000 in year 2, and $29,000 in year 3 of the transition period.]

Table X

<table>
<thead>
<tr>
<th>In thousands</th>
<th>Transitional Amounts</th>
<th>Transitional Amounts Applicable during Each Year of the Transition Period</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Column A</td>
<td>Column B</td>
</tr>
<tr>
<td>1. Increase retained earnings and average total consolidated assets by the CECL transitional amount</td>
<td>$158</td>
<td>$118.50</td>
</tr>
<tr>
<td>2. Decrease temporary difference DTAs by the DTA transitional amount</td>
<td>$42</td>
<td>$31.50</td>
</tr>
<tr>
<td>3. Decrease ACL by the ACL transitional amount</td>
<td>$200</td>
<td>$150</td>
</tr>
</tbody>
</table>

2.a Institutions applying the CECL transition provision. An institution may make a one-time election to use the CECL transition provision, as described in section 301 of the regulatory capital rules. Such an institution is required to begin applying the CECL transition provision as of the institution’s CECL adoption date. An institution must indicate its election to use the CECL transition provision beginning in the quarter that it first reports its credit loss allowances as measured under CECL. An institution that does not elect to use the CECL transition provision in the quarter that it first reports its credit loss allowances as measured under CECL would not be permitted to make an election in subsequent reporting periods. For example, an institution that adopts CECL as of January 1, 2020, and does not elect to use the CECL transition provision in its regulatory report as of March 31, 2020, would not be permitted to use the CECL transition provision in any subsequent reporting period.

An institution that has adopted CECL and has elected to apply the CECL transition provision must enter “1” for “Yes” in item 2.a for each quarter in which the institution applies the transition provisions. An institution that has adopted CECL and has elected not to apply the CECL transition provision must enter a “0” for “No” in item 2.a. An institution that has not adopted CECL must not complete item 2.a.

Each institution would complete item 2.a beginning in the Call Report for its first reporting period under CECL and in each subsequent Call Report thereafter until item 2.a is removed from the report. Effective March 31, 2025, the agencies propose to remove item 2.a from Schedule RC-R, Part I, because the optional three-year phase-in period will have ended for all electing institutions by the end of the prior calendar year. If an individual electing institution’s three-year phase-in period ends before item 2.a is removed (e.g., its phase-in
period ends December 31, 2022), the institution would report in item 2.a that its CECL transition election is no longer in effect.

3 Accumulated other comprehensive income (AOCI). For institutions that have made the AOCI opt-out election in item 3.a below, report the amount of AOCI as reported under U.S. generally accepted accounting principles (GAAP) that is included in Schedule RC, item 26.b. For institutions that have not made the AOCI opt-out election in item 3.a below, report the amount of AOCI as reported under U.S. GAAP included in Schedule RC, item 26.b, subject to the transition provisions described in section (ii) of the instructions for item 3.a below.

3.a AOCI opt-out election.

An institution that is not an advanced approaches institution as defined in the regulatory capital rules may make a one-time election to become subject to the AOCI-related adjustments in Schedule RC-R, Part I, items 9.a through 9.e. That is, such an institution may opt out of the requirement to include most components of AOCI in common equity tier 1 capital (with the exception of accumulated net gains and losses on cash flow hedges related to items that are not recognized at fair value on the balance sheet). An institution that makes an AOCI opt-out election must enter “1” for “Yes” in item 3.a. There are no transition provisions applicable to reporting Schedule RC-R, item 3, if an institution makes an AOCI opt-out election.

Each institution (except an advanced approaches institution) in existence as of March 31, 2015, made its AOCI opt-out election on the institution’s March 31, 2015, Call Report. For an institution that comes into existence after March 31, 2015, the institution must make its AOCI opt-out election on the institution’s first Call Report. After an institution initially makes its AOCI opt-out election, the institution must report its election in each quarterly Call Report thereafter. Each of the institution’s depository institution subsidiaries, if any, must elect the same option as the institution. With prior notice to its primary federal supervisor, an institution resulting from a merger, acquisition, or purchase transaction may make a new AOCI opt-out election, as described in section 22(b)(2) of the regulatory capital rules.
### Part I. (cont.)

<table>
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| 14       | **LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.** Report the amount of MSAs included in Schedule RC-M, item 2.a, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold as follows:  

1. Take the amount of MSAs as reported in Schedule RC-M, item 2.a, net of associated DTLs.  
2. If the amount in (1) is greater than 10 percent of Schedule RC-R, Part I, item 12, report the difference in this item 14.  
3. If the amount in (1) is less than 10 percent of Schedule RC-R, Part I, item 12, enter zero in this item 14.  

**Transition provisions:** Follow the transition provisions in the instructions for Schedule RC-R, Part I, item 13 (that is, apply 80 percent of the deduction and a 100 percent risk weight to the portion of items not deducted). |
| 15       | **LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.**  

1. Determine the amount of DTAs arising from temporary differences that could not be realized through net operating loss carrybacks net of any related valuation allowances and net of associated DTLs (for example, DTAs resulting from the institution’s ALLL or ACL, as applicable).  
2. If the amount in (1) is greater than 10 percent of Schedule RC-R, Part I, item 12, report the difference in this item 15.  
3. If the amount in (1) is less than 10 percent of Schedule RC-R, Part I, item 12, enter zero in this item 15.  

DTAs arising from temporary differences that could be realized through net operating loss carrybacks are not subject to deduction, and instead must be assigned to a 100 percent risk-weight category. For an institution that is a member of a consolidated group for tax purposes, the amount of DTAs that could be realized through net operating loss carrybacks may not exceed the amount that the institution could reasonably expect to have refunded by its parent holding company.  

**Transition provisions:** Follow the transition provisions in the instructions for Schedule RC-R, Part I, item 13 (that is, apply 80 percent of the deduction and a 100 percent risk weight to the portion of items not deducted). |
| 16       | **LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold.**  

The aggregate amount of the threshold items (that is, significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs) may not exceed 15 percent of the institution’s common equity tier 1 capital, net of applicable adjustments and deductions (the 15 percent common equity tier 1 capital deduction threshold). |
Part I. (cont.)

Item No. | Caption and Instructions
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29 (cont.) | **Transition provisions:** For surplus minority interest and non-qualifying minority interest that can be included in tier 2 capital during the transition period, follow the transition provisions in the instructions for Schedule RC-R, Part I, item 4, after taking into consideration (that is, excluding) any amount of surplus tier 1 minority interest (from step 7 of the worksheet in item 22). In the example (and assuming no outstanding amounts of non-qualifying minority interest), the institution has $1.53 of surplus total capital minority interest available to be included during the transition period in tier 2 capital ($10.39 (from step 7 of the worksheet in item 29) of surplus total capital minority interest minus $8.86 (from step 7 of the worksheet in item 22) of tier 1 minority interest). In 2017, the institution would include an additional $0.31 in item 29 (20% of $1.53). Starting in 2018 the institution would include the same amount of surplus minority interest in its regulatory capital as it included in 2017 (20% of $1.53 or $0.31). NOTE: If the amount of surplus total capital minority interest (from step 7 of the worksheet in item 29) is less than the amount of surplus tier 1 minority interest (from step 7 of the worksheet in item 22), the amount of surplus total capital minority interest available to be included during the transition period in tier 2 capital is zero.

30 | **Allowance for loan and lease losses includable in tier 2 capital.** Report the portion of the institution’s allowance for loan and lease losses (ALLL) or allowance for credit losses (ACL), as applicable, for regulatory capital purposes that is includable in tier 2 capital. None of the institution’s allocated transfer risk reserve, if any, is includable in tier 2 capital.

An institution’s ALLL for regulatory capital purposes equals Schedule RC, item 4.c, “Allowance for loan and lease losses”; less any allocated transfer risk reserve included in Schedule RC, item 4.c; plus Schedule RC-G, item 3, “Allowance for credit losses on off-balance sheet credit exposures.”

An institution’s ACL for regulatory capital purposes equals Schedule RI-B, Part II, item 7, Columns A and B, “Changes in Allowances for Loan and Lease Losses,” and “Changes in Allowances for HTM Securities,” and Memorandum item 6, “Allowance for credit losses on other assets (not included in item 7, above) carried at amortized cost,” less Schedule RC-R, part II, Memorandum items 4a, 4b, and 4c “Amount of allowances for credit losses on purchased credit deteriorated assets: loans and leases, HTM securities, and other,” less Schedule RI-B, part II, Memorandum item 1, “Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above,” plus Schedule HC-G, item 3, “Allowance for credit losses on off-balance sheet credit exposures.”

An institution that has elected to apply the CECL transition provision (electing institution) decreases its applicable ACL transitional amount, in accordance with section 301 of the regulatory capital rules. Specifically, an electing institution reduces ACL includable in tier 2 capital by seventy-five percent of its ACL transitional amount during the first year of the transition period, fifty percent of its ACL transitional amount during the second year of the transition period, and twenty-five percent of its ACL transitional amount during the third year of the transition period (see Table X of Schedule R, item 2).

The amount to be reported in this item is the lesser of (1) the institution’s ALLL, or ACL, as applicable, for regulatory capital purposes, as defined above, or (2) 1.25 percent of the institution’s risk-weighted assets base for the ALLL or ACL calculation as reported in Schedule RC-R, Part II, item 26. In calculating the risk-weighted assets base for this purpose, an institution would not include items that are deducted from capital under section 22(a). However, an institution would include risk-weighted asset amounts of items deducted from capital under sections 22(c) through (f) of the regulatory capital rule, in accordance with the applicable transition provisions. While amounts deducted from capital under sections 22(c) through (f) are included in the risk-weighted assets base for the ALLL or
ACL calculation, as applicable, such amounts are excluded from standardized total risk-weighted assets used in the denominator of the risk-based capital ratios.

The amount, if any, by which an institution’s ALLL or ACL, as applicable, for regulatory capital purposes exceeds 1.25 percent of the institution’s risk-weighted assets base for the ALLL or ACL calculation (as reported in Schedule RC-R, Part II, item 26), as applicable, should be reported in Schedule RC-R, Part II, item 29, “LESS: Excess allowance for loan and lease losses.” The sum of the amounts of ALLL reported in Schedule RC-R, Part I, item 30, plus Schedule RC-R, Part II, item 29, must equal Schedule RC, item 4.c, less any allocated transfer risk reserve included in Schedule RC, item 4.c, plus Schedule RC-G, item 3.
### Part I. (cont.)

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<tr>
<td>36</td>
<td><strong>Average total consolidated assets.</strong> All banks and savings associations must report the amount of average total consolidated assets as reported in Schedule RC-K, item 9. An institution that has elected to apply the CECL transition provision (electing institution) increases its average total consolidated assets by its applicable CECL transitional amount, in accordance with section 301(b)(4)(iv) of the regulatory capital rules. For example, an electing institution increases its average total consolidated assets as reported on the Call Report for purposes of the leverage ratio by seventy-five percent of its CECL transitional amount during the first year of the transition period, fifty percent of its CECL transitional amount during the second year of the transition period, and twenty-five percent of its CECL transitional amount during the third year of the transition period.</td>
</tr>
<tr>
<td>37</td>
<td><strong>LESS: Deductions from common equity tier 1 capital and additional tier 1 capital.</strong> Report the sum of the amounts deducted from common equity tier 1 capital and additional tier 1 capital in Schedule RC-R, Part I, items 6, 7, 8, 10.b, 11, 13 through 17, and item 24, except any adjustments to additional tier 1 capital related to changes in the fair value of liabilities that are reported in item 24 during the transition period. Also exclude the amount reported in item 17 that is due to insufficient amounts of additional tier 1 capital, and which is included in the amount reported in item 24. (This is to avoid double counting.)</td>
</tr>
<tr>
<td>38</td>
<td><strong>LESS: Other deductions from (additions to) assets for leverage ratio purposes.</strong> Based on the regulatory capital rules of the bank’s primary federal supervisor, report the amount of any deductions from (additions to) total assets for leverage capital purposes that are not included in Schedule RC-R, Part I, item 37, as well as the items below, if applicable. If the amount is a net deduction, report it as a positive value in this item. If the amount is a net addition, report it as a negative value in this item.</td>
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</tbody>
</table>

**Institutions that make the AOCI opt-out election in Schedule RC-R, Part I, item 3.a – Defined benefit postretirement plans:**

If the reporting institution sponsors a single-employer defined benefit postretirement plan, such as a pension plan or health care plan, accounted for in accordance with ASC Subtopic 715-20, Compensation-Retirement Benefits – Defined Benefit Plans-General (formerly FASB Statement No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans”), the institution should adjust total assets for leverage ratio purposes for any amounts included in Schedule RC, item 26.b, “Accumulated other comprehensive income” (AOCI), affecting assets as a result of the initial and subsequent application of the funded status and measurement date provisions of ASC Subtopic 715-20. The adjustment also should take into account subsequent amortization of these amounts from AOCI into earnings. The intent of the adjustment reported in this item (together with the amount reported in Schedule RC-R, Part I, item 9.d) is to reverse the effects on AOCI of applying ASC Subtopic 715-20 for regulatory capital purposes. Specifically, assets recognized or derecognized as an adjustment to AOCI as part of the incremental effect of applying ASC Subtopic 715-20 should be reported as an adjustment to total assets for leverage ratio purposes. For example, the derecognition of an asset recorded as an offset to AOCI as part of the initial incremental effect of applying ASC Subtopic 715-20 should be added back to total assets for leverage ratio purposes by reporting the amount as a negative number in this item. As another example, the portion of a benefit plan surplus asset that is included in Schedule RC, item 26.b, as an increase to AOCI and in total assets should be deducted from total assets for leverage ratio purposes by reporting the amount as a positive number in this item.
Part II. (cont.)

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<th>Item No.</th>
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<tbody>
<tr>
<td>2.a (cont.)</td>
<td>Statement No. 115, &quot;Accounting for Certain Investments in Debt and Equity Securities&quot;). Thus, for an HTM security with such an unrealized gain (loss), report in column B any difference between the carrying value of the security reported in column A of this item and its exposure amount reported under the appropriate risk weighting column C through J.</td>
</tr>
</tbody>
</table>

- **In column B**, include the amount of:
  - Non-significant investments in tier 2 capital of unconsolidated financial institutions that are reported in Schedule RC, item 2.a, and have been deducted from capital in Schedule RC-R, Part I, item 33.
  - Significant investments in the capital of unconsolidated financial institutions in the form of tier 2 capital that are reported in Schedule RC, item 2.a, and have been deducted from capital in Schedule RC-R, Part I, item 33.
  - An institution that has adopted CECL includes the relevant portion of Schedule RI-B, Part II, item 7, Column B, “Balance end of current period: Held-to-maturity debt securities”, less Schedule RC-R, part II, Memorandum item 4.b, “Amount of allowances for credit losses on purchased credit-deteriorated assets: Held-to-maturity securities.”

- **In column C—0% risk weight.** The zero percent risk weight applies to exposures to the U.S. government, a U.S. government agency, or a Federal Reserve Bank, and those exposures otherwise unconditionally guaranteed by the U.S. government. Include exposures to or unconditionally guaranteed by the FDIC or the NCUA. Certain foreign government exposures and certain entities listed in §.32 of the regulatory capital rules may also qualify for the zero percent risk weight. Include the exposure amounts of securities reported in Schedule RC-B, column A, that do not qualify as securitization exposures that qualify for the zero percent risk weight. Such securities may include portions of, but may not be limited to:
  - Item 1, "U.S. Treasury securities;" |
  - Item 2, those obligations issued by U.S. Government agencies, |
  - Item 4.a.(1), those residential mortgage pass-through securities guaranteed by GNMA, |
  - Item 4.b.(1), those other residential mortgage-backed securities issued or guaranteed by U.S. Government agencies, such as GNMA exposures, |
  - Item 4.c.(1)(a), those commercial mortgage-backed securities (MBS) “Issued or guaranteed by FNMA, FHLMC, or GNMA” that represent GNMA securities, and |
  - Item 4.c.(2)(a), those commercial MBS “Issued or guaranteed by U.S. Government agencies or sponsored agencies” that represent GNMA securities, |
  - The portion of any exposure reported in Schedule RC, item 2.a, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

- **In column G—20% risk weight.** The 20 percent risk weight applies to general obligations of U.S. states, municipalities, and U.S. public sector entities. It also applies to exposures to U.S. depository institutions and credit unions, exposures conditionally guaranteed by the U.S. government, as well as exposures to U.S. government-sponsored enterprises. Certain foreign government and foreign bank exposures may qualify as indicated in §.32 of the regulatory capital rules. Include the exposure amounts of securities reported in Schedule RC-B, column A, that do not qualify as securitization exposures that qualify for the 20 percent risk weight. Such securities may include portions of, but may not be limited to:
  - Item 2, those obligations issued by U.S. Government-sponsored agencies, |
  - Item 3, "Securities issued by states and political subdivisions in the U.S." that represent general obligation securities,
### Part II. (cont.)

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<tr>
<th>Item No.</th>
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<tbody>
<tr>
<td>3.b</td>
<td><strong>Securities purchased under agreements to resell.</strong> Report in columns A and B the amount of securities purchased under agreements to resell (securities resale agreements, i.e., reverse repos) reported in Schedule RC, item 3.b, excluding those securities resale agreements that qualify as securitization exposures as defined in §.2 of the regulatory capital rules. The amount of those securities resale agreements reported in Schedule RC, item 3.b, that qualify as securitization exposures are to be reported in Schedule RC-R, Part II, item 9.d, column A.</td>
</tr>
</tbody>
</table>

An institution that has adopted CECL includes in column B the portion related to all other assets of Schedule RI-B, Part II, Memorandum item 6, “Allowance for credit losses on other financial assets measured at amortized cost,” less Schedule RC-R, part II, Memorandum item 4.c, “Amount of allowances for credit losses on purchased credit-deteriorated assets: Other financial assets measured at amortized cost.”

- Note: For purposes of risk weighting, please distribute on-balance sheet securities purchased under agreements to resell reported in Schedule RC, item 3.b, within the risk-weight categories in Schedule RC-R, Part II, item 16, “Repo-style transactions.” Banks should report their securities purchased under agreements to resell in item 16 in order for institutions to calculate their exposure, and thus risk-weighted assets, based on master netting set agreements covering repo-style transactions.

| 4 | **Loans and leases held for sale.** Report in column A of the appropriate subitem the carrying value of loans and leases held for sale (HFS) reported in Schedule RC, item 4.a, excluding those HFS loans and leases that qualify as securitization exposures as defined in §.2 of the regulatory capital rules. |

The carrying value of those HFS loans and leases reported in Schedule RC, item 4.a, that qualify as securitization exposures must be reported in Schedule RC-R, Part II, item 9.d, column A.

The sum of the amounts reported in column A for items 4.a through 4.d of Schedule RC-R, Part II, plus the carrying value of HFS loans and leases that qualify as securitization exposures and are reported in column A of item 9.d of Schedule RC-R, Part II, must equal Schedule RC, item 4.a. |
Part II. (cont.)

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<th>Item No.</th>
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<tr>
<td>5.a (cont.)</td>
<td>Exclude from this item:</td>
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- Loans HFI secured by multifamily residential properties included in Schedule RC-C, Part I, item 1.d, that do not meet the definition of a *residential mortgage exposure* or a *statutory multifamily mortgage* and are not securitization exposures, and

- 1-4 family residential construction loans HFI reported in Schedule RC-C, Part I, item 1.a.(1), that are not securitization exposures,

These loans should be reported in Schedule RC-R, Part II, item 5.c, if they are past due 90 days or more or on nonaccrual. Otherwise, these HFI loans should be reported in Schedule RC-R, Part II, item 5.d.

In *column B*, an institution that has adopted CECL includes as a negative number the portion of Schedule RC-R, part II, Memorandum item 4.a, “Amount of allowances for credit losses on purchased credit-deteriorated assets: Loans and leases held for investment” that are applicable to residential mortgage exposures.

In *column C*–0% risk weight, include the portion of any HFI exposure that meets the definition of *residential mortgage exposure* or *statutory multifamily mortgage* reported in Schedule RC, item 4.b, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight. This would include loans and leases HFI collateralized by deposits at the reporting institution.

In *column G*–20% risk weight, include the carrying value of the guaranteed portion of FHA and VA mortgage loans HFI included in Schedule RC-C, Part I, item 1.c.(2)(a). Also include the portion of any loan HFI which meets the definition of *residential mortgage exposure* or *statutory multifamily mortgage* reported in Schedule RC, item 4.b, that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight. This would include the portion of loans HFI covered by an FDIC loss-sharing agreement.

In *column H*–50% risk weight, include the carrying value of loans HFI secured by 1-4 family residential properties included in Schedule RC-C, Part I, item 1.c.(1) (only include qualifying first mortgage loans); qualifying loans from Schedule RC-C, Part I, items 1.c.(2)(a) and 1.d; and those loans that meet the definition of a *residential mortgage exposure* and qualify for 50 percent risk weight under §32(g) of the regulatory capital rules. For 1-4 family residential mortgages, the loans must be prudently underwritten, be fully secured by first liens on 1-4 family or multifamily residential properties, not 90 days or more past due or in nonaccrual status, and have not been restructured or modified (unless modified or restructured solely pursuant to the U.S. Treasury’s Home Affordable Mortgage Program (HAMP)). Also include loans HFI that meet the definition of *statutory multifamily mortgage* in §2 of the regulatory capital rules. Also include the portion of any loan HFI which meets the definition of *residential mortgage exposure* reported in Schedule RC, item 4.b, that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Notes:

1. Refer to the definition of “*residential mortgage exposure*” in §2 of the regulatory capital rules, and refer to the requirements for risk weighting *residential mortgage loans* in §32 of the regulatory capital rules.
2. A *residential mortgage loan* may receive a 50 percent risk weight if it meets the qualifying criteria in §32(g) of the regulatory capital rules:
   - A property is owner-occupied or rented;
   - The loan is prudently underwritten including the loan amount as a percentage of the appraised value of the real estate collateral.
   - The loan is not 90 days or more past due or on nonaccrual;
Part II. (cont.)

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<th>Item No.</th>
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<tr>
<td>5.a (cont.)</td>
<td>○ If the bank holds the first lien and junior lien(s) on a residential mortgage exposure, and no other party holds an intervening lien, the bank must combine the exposures and treat them as a single first-lien residential mortgage exposure.</td>
</tr>
<tr>
<td>3.</td>
<td>A first lien home equity line (HELOC) may qualify for 50 percent risk weight if it meets the qualifying criteria in § 32(g) listed above.</td>
</tr>
<tr>
<td>4.</td>
<td>A residential mortgage loan of $1 million or less on a property of more than 4 units may qualify for 50 percent risk weight if it meets the qualifying criteria in § 32(g) listed above.</td>
</tr>
<tr>
<td>5.b High volatility commercial real estate exposures.</td>
<td>Report in column A the portion of the carrying value of loans HFI reported in Schedule RC, item 4.b, that are high volatility commercial real estate (HVCRE) exposures, including HVCRE exposures that are 90 days or more past due or in nonaccrual status.</td>
</tr>
<tr>
<td></td>
<td>○ In column B, an institution that has adopted CECL includes as a negative number the portion of Schedule RC-R, part II, Memorandum item 4.a, “Amount of allowances for credit losses on purchased credit deteriorated assets: Loans and leases held for investment” that are applicable to high-volatility commercial real estate exposures.</td>
</tr>
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<td></td>
<td>○ In column C–0% risk weight, include the portion of any HVCRE exposure included in loans and leases HFI, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight. This would include the portion of HVCRE loans HFI collateralized by deposits at the reporting institution.</td>
</tr>
<tr>
<td></td>
<td>○ In column G–20% risk weight, include the portion of any HVCRE exposure included in loans and leases HFI which is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.</td>
</tr>
</tbody>
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13 See the instructions for Schedule RC-R, Part II, item 4.b, above for the definition of HVCRE exposure.
Part II. (cont.)

<table>
<thead>
<tr>
<th>Item No.</th>
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<tbody>
<tr>
<td>5.b (cont.)</td>
<td>- In column H–50% risk weight, include the portion of any HVCRE exposure included in loans and leases HFI which is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.</td>
</tr>
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<td></td>
<td>- In column I–100% risk weight, include the portion of any HVCRE exposure included in loans and leases HFI which is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.</td>
</tr>
<tr>
<td></td>
<td>- In column J–150% risk weight, include the carrying value of HVCRE exposures, as defined in §.2 of the regulatory capital rules, included in Schedule RC, item 4.b, excluding those portions of the carrying value that are covered by qualifying collateral or eligible guarantees as described in §.37 and §.36, respectively, of the regulatory capital rules.</td>
</tr>
<tr>
<td></td>
<td>- In columns R and S–Application of Other Risk-Weighting Approaches, include the portion of any HVCRE exposure included in loans and leases HFI reported in Schedule RC, item 4.b, that is secured by qualifying financial collateral that meets the definition of a securitization exposure in §.2 of the regulatory capital rules or is a mutual fund only if the bank chooses to recognize the risk-mitigating effects of the securitization exposure or mutual fund collateral under the Simple Approach outlined in §.37 of the regulatory capital rules. Under the Simple Approach, the risk weight assigned to the collateralized portion of the exposure may not be less than 20 percent. For information on the reporting of such HFI exposures in columns R and S, refer to the instructions for Schedule RC-R, Part, II, item 5.b, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.</td>
</tr>
<tr>
<td>5.c</td>
<td>Exposures past due 90 days or more or on nonaccrual. Report in column A the carrying value of loans and leases HFI reported in Schedule RC, item 4.b, that are 90 days or more past due or in nonaccrual status according to the requirements set forth in §.32(k) of the regulatory capital rules. Do not include sovereign exposures or residential mortgage exposures, as described in §.32(a) and §.32(g), respectively, that are 90 days or more past due or in nonaccrual status (report such past due and nonaccrual exposures in Schedule RC-R, Part II, items 5.d and 5.a, respectively). Also do not include high volatility commercial real estate exposures that are 90 days or more past due or in nonaccrual status (report such exposures in Schedule RC-R, Part II, item 5.b).</td>
</tr>
<tr>
<td></td>
<td>- In column B, an institution that has adopted CECL includes as a negative number the portion of Schedule RC-R, part II, Memorandum item 4.a, “Amount of allowances for credit losses on purchased credit-deteriorated assets: Loans and leases held for investment” that are applicable to exposures past due 90 days or more or on nonaccrual.</td>
</tr>
<tr>
<td></td>
<td>- In column C–0% risk weight, include the portion of loans and leases HFI included in Schedule RC, item 4.b, that are 90 days or more past due or in nonaccrual status (except as noted above), that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight. This would include the portion of loans and leases HFI collateralized by deposits at the reporting institution.</td>
</tr>
<tr>
<td></td>
<td>- In column G–20% risk weight, include the portion of loans and leases HFI included in Schedule RC, item 4.b, that are 90 days or more past due or in nonaccrual status (except as noted above), that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight. This would include the portion of loans and leases HFI covered by an FDIC loss-sharing agreement.</td>
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</tbody>
</table>
| | - In column H–50% risk weight, include the portion of loans and leases HFI included in Schedule RC, item 4.b, that are 90 days or more past due or in nonaccrual status (except...}
### Part II. (cont.)

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<th>Item No.</th>
<th>Caption and Instructions</th>
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<tr>
<td>5.d (cont.)</td>
<td>(excluding loans that are assigned a higher than 100 percent risk weight, such as HVCRE loans and past due loans). This item would include 1-4 family construction loans and leases HFI reported in Schedule RC-C, Part I, item 1.a.(1) and the portion of loans HFI secured by multifamily residential property reported in Schedule RC-C, Part I, item 1.d, with an original amount of more than $1 million. Also include the carrying value of loans HFI that meet the definition of presold construction loan in §.2 of the regulatory capital rules that qualify for the 100 percent risk weight. Also include the portion of any loans and leases HFI not reported in Schedule RC-R, Part II, items 5.a through 5.c above, that is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.</td>
</tr>
</tbody>
</table>

- In columns R and S–Application of Other Risk-Weighting Approaches, include the portion of any loans and leases HFI, including eligible margin loans, reported in Schedule RC, item 4.b, that is secured by qualifying financial collateral that meets the definition of a securitization exposure in §.2 of the regulatory capital rules or is a mutual fund only if the bank chooses to recognize the risk-mitigating effects of the securitization exposure or mutual fund collateral under the Simple Approach, or the collateral margin approach for eligible margin loans, outlined in §.37 of the regulatory capital rules. Under the Simple Approach, the risk weight assigned to the collateralized portion of the exposure may not be less than 20 percent. For information on the reporting of such HFI exposures in columns R and S, refer to the instructions for Schedule RC-R, Part II, item 5.d, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.

- For all other loans and leases HFI that must be risk weighted according to the Country Risk Classification (CRC) methodology, assign these exposures to risk-weight categories based on the CRC methodology described in the General Instructions for Schedule RC-R, Part II, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.

6 **LESS:** Allowance for loan and lease losses. Report in columns A and B the balance of the allowance for loan and lease losses ALLL or ACL, as applicable, reported in Schedule RC, item 4.c.

7 **Trading assets.** Report in column A the fair value of trading assets reported in Schedule RC, item 5, excluding those trading assets that are securitization exposures, as defined in §.2 of the regulatory capital rules.

The fair value of those trading assets reported in Schedule RC, item 5, that qualify as securitization exposures must be reported in Schedule RC-R, Part II, item 9.c, column A. The sum of Schedule RC-R, Part II, items 7 and 9.c, column A, must equal Schedule RC, item 5.

If the bank is subject to the market risk capital rule, include in column B the fair value of all trading assets that are covered positions as defined in Schedule RC-R, Part II, item 27 (except those trading assets that are both securitization exposures and covered positions, which are excluded from column A of this item 7 and are to be reported instead in Schedule RC-R, Part II, item 9.c, column A). The bank will report its standardized market risk-weighted assets in Schedule RC-R, Part II, item 27. For further information on the market risk capital rule and the meaning of the term “covered position,” refer to the discussion of “Banks That Are Subject to the Market Risk Capital Rule” in the General Instructions for Schedule RC-R, Part II, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.
### Part II. (cont.)

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<th>Item No.</th>
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</table>
| 8 (cont.)| ○ Unsettled transactions (failed trades) that are reported as “Other assets” in Schedule RC, item 11. For purposes of risk weighting, unsettled transactions are to be reported in Schedule RC-R, Part II, item 22.  
○ An institution that has adopted CECL includes the portion related to all other assets of Schedule RI-B, Part II, Memorandum item 6, “Allowance for credit losses on other financial assets measured at amortized cost,” less Schedule RC-R, part II, Memorandum item 4.c, “Amount of allowances for credit losses on purchased credit deteriorated assets: Other financial assets measured at amortized cost.”  
○ An institution that has elected to apply the CECL transition provision (electing institution) subtracts its applicable DTA transitional amount from temporary difference DTAs, in accordance with section 301 of the regulatory capital rules. Specifically, an electing institution reduces its temporary difference DTAs by seventy-five percent of its DTA transitional amount during the first year of the transition period, fifty percent of its DTA transitional amount during the second year of the transition period, and twenty-five percent of its DTA transitional amount during the third year of the transition period. Report as a negative number in column B the amount of default fund contributions in the form of commitments made by a clearing member to a central counterparty’s mutualized loss-sharing arrangement. |
|          | • In column C—0% risk weight, include:  
○ The carrying value of Federal Reserve Bank stock included in Schedule RC-F, item 4;  
○ Accrued interest receivable on assets included in the zero percent risk weight category (column C of Schedule RC-R, Part II, items 1 through 7);  
○ The carrying value of gold bullion not held for trading that is held in the bank’s own vault or in another bank’s vault on an allocated basis, and exposures that arise from the settlement of cash transactions (such as equities, fixed income, spot foreign exchange, and spot commodities) with a central counterparty where there is no assumption of ongoing credit risk by the central counterparty after settlement of the trade and associated default fund contributions; and  
○ The portion of assets reported in Schedule RC, items 6 through 11, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight. This would include the portion of these assets collateralized by deposits in the reporting institution. |
|          | • In column G—20% risk weight, include:  
○ The carrying value of Federal Home Loan Bank stock included in Schedule RC-F, item 4;  
○ Accrued interest receivable on assets included in the 20 percent risk weight category (column G of Schedule RC-R, Part II, items 1 through 7);  
○ The portion of customers’ acceptance liability reported in Schedule RC, item 11, that has been participated to other depository institutions; and  
○ The portion of assets reported in Schedule RC, items 6 through 11, that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight. This would include the portion of these assets covered by FDIC loss-sharing agreements. |
|          | • In column H—50% risk weight, include accrued interest receivable on assets included in the 50 percent risk weight category (column H of Schedule RC-R, Part II, items 1 through 7). Also include the portion of assets reported in Schedule RC, items 6 through 11, that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight. |
Part II. (cont.)

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<th>Item No.</th>
<th>Caption and Instructions</th>
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<tr>
<td>9.a</td>
<td>Held-to-maturity securities. Report in column A the amount of held-to-maturity (HTM) securities reported in Schedule RC, item 2.a, that qualify as securitization exposures as defined in §2 of the regulatory capital rules. Refer to the instructions for Schedule RC-R, Part II, item 2.a, for a summary of the reporting locations of HTM securitization exposures.</td>
</tr>
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</table>

Exposure amount to be used for purposes of risk weighting – bank has not made the Accumulated Other Comprehensive Income (AOCI) opt-out election in Schedule RC-R, Part I, item 3.a:

For a security classified as HTM where the bank has not made the AOCI opt-out election (i.e., most AOCI is included in regulatory capital), the exposure amount to be risk weighted by the bank is the carrying value of the security, which is the value of the asset reported on the balance sheet of the bank determined in accordance with GAAP and in column A.

Exposure amount to be used for purposes of risk weighting – bank has made the AOCI opt-out election in Schedule RC-R, Part I, item 3.a:

For a security classified as HTM where the bank has made the AOCI opt-out election (i.e., most AOCI is not included in regulatory capital), the exposure amount to be risk weighted by the bank is the carrying value of the security reported on the balance sheet of the bank and in column A, less any unrealized gain on the exposure or plus any unrealized loss on the exposure included in AOCI.

If an HTM securitization exposure will be risk weighted using either the Simplified Supervisory Formula Approach (SSFA) or the Gross-Up Approach, include as part of the exposure amount to be risk weighted in this item any accrued interest receivable on the HTM security that is reported in Schedule RC, item 11, “Other assets,” and included in Schedule RC-R, Part II, item 9.d, columns A and B. Do not report this accrued interest receivable in column A or B of this item.

- In column B:
  - If an HTM securitization exposure will be risk weighted using the 1,250 percent risk weight approach, report any difference between the carrying value of the HTM securitization exposure reported in column A of this item and the exposure amount of the HTM securitization exposure that is to be risk weighted.
  - If an HTM securitization exposure will be risk weighted using either the SSFA or the Gross-Up Approach, report the carrying value of the HTM securitization exposure reported in column A of this item.

- In column Q, report the exposure amount of those HTM securitization exposures that are assigned a 1,250 percent risk weight (i.e., those HTM securitization exposures for which the risk-weighted asset amount is not calculated using the SSFA or the Gross-Up Approach).

- In column T, report the risk-weighted asset amount (not the exposure amount) of those HTM securitization exposures for which the risk-weighted asset amount is calculated using the SSFA, as described above in the General Instructions for Schedule RC-R, Part II, and in §.41 to §.45 of the regulatory capital rules.

- In column U, report the risk-weighted asset amount (not the exposure amount) of HTM securitization exposures for which the risk-weighted asset amount is calculated using the.
Part II. (cont.)

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<tr>
<td>Totals</td>
<td></td>
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</table>

23 **Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk weight category.** For each of columns C through P, report the sum of items 11 through 22. For column Q, report the sum of items 10 through 22.

24 **Risk weight factor.**

25 **Risk-weighted assets by risk weight category.** For each of columns C through Q, multiply the amount in item 23 by the risk weight factor specified for that column in item 24.

26 **Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses or allowance for credit losses, as applicable, 1.25 percent threshold.** Report the sum of:

- Schedule RC-R, Part II:
  - Items 2.b through 20, column S,
  - Items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U, and
  - Item 25, columns C through Q
- Schedule RC-R, Part I:
  - The portion of item 10.b composed of “Investments in the institution’s own shares to the extent not excluded as part of treasury stock,”
  - The portion of item 10.b composed of “Reciprocal cross-holdings in the capital of financial institutions in the form of common stock,”
  - Items 11 and 13 through 16,
  - Item 24, excluding the portion of item 24 composed of tier 2 capital deductions reported in Part I, item 33, for which the institution does not have a sufficient amount of tier 2 capital before deductions reported in Part I, item 32, to absorb these deductions, and
  - Item 33.

NOTE: Item 27 is applicable only to banks that are subject to the market risk capital rule.

27 **Standardized market risk-weighted assets.** Report the amount of the bank’s standardized market risk-weighted assets. This item is applicable only to those banks covered by Subpart F of the regulatory capital rules (i.e., the market risk capital rule), as provided in §.201 of the regulatory capital rules and in the discussion of “Banks That Are Subject to the Market Risk Capital Rule” in the General Instructions for Schedule RC-R, Part II.

A bank’s measure for market risk for its covered positions is the sum of its value-at-risk (VaR)-based, stressed VaR-based, incremental risk, and comprehensive risk capital requirements plus its specific risk add-ons and any capital requirement for de minimis exposures. A bank’s standardized market risk-weighted assets equal its measure for market risk multiplied by 12.5 (the reciprocal of the minimum 8.0 percent capital ratio).

For further information on the meaning of the term “covered position,” refer to the discussion of “Banks That Are Subject to the Market Risk Capital Rule” in the General Instructions for Schedule RC-R, Part II.

28 **Risk-weighted assets before deductions for excess allowance for loan and lease losses or allowance for credit losses, as applicable, and allocated transfer risk reserve.** Report the sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and, if applicable, item 27. (Item 27 is applicable only to banks that are subject to the market risk capital rule.)
### Part II. (cont.)

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<tr>
<th>Item No.</th>
<th>Caption and Instructions</th>
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<tbody>
<tr>
<td>29</td>
<td><strong>LESS: Excess allowance for loan and lease losses.</strong> Report the amount, if any, by which the bank’s allowance for loan and lease losses ( \text{ALLL or ACL, as applicable} ) for regulatory capital purposes exceeds 1.25 percent of the bank’s risk-weighted assets base reported in Schedule RC-R, Part II, item 26.</td>
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|          | A bank’s \( \text{ALLL or ACL, as applicable} \) allowance for loan and lease losses for regulatory capital purposes equals Schedule RC, item 4.c, “Allowance for loan and lease losses,” less any allocated transfer risk reserve included in Schedule RC, item 4.c, plus Schedule RC-G, item 3, “Allowance for credit losses on off-balance sheet credit exposures.” If a bank’s \( \text{ALLL or ACL, as applicable} \) allowance for loan and lease losses for regulatory capital purposes, as defined in the preceding sentence, exceeds 1.25 percent of Schedule RC-R, Part II, item 26, the amount to be reported in this item equals the bank’s \( \text{ALLL or ACL, as applicable} \) allowance for loan and lease losses for regulatory capital purposes less Schedule RC-R, Part I, item 30, "Allowance for loan and lease losses includable in tier 2 capital."
|          | The sum of the amounts reported in Schedule RC-R, Part I, item 30, plus Schedule RC-R, Part II, item 29, must equal Schedule RC, item 4.c, less any allocated transfer risk reserve included in Schedule RC, item 4.c, plus Schedule RC-G, item 3. |
| 30       | **LESS: Allocated transfer risk reserve.** Report the entire amount of any allocated transfer risk reserve (ATRR) the reporting bank is required to establish and maintain as specified in Section 905(a) of the International Lending Supervision Act of 1983, in the agency regulations implementing the Act (Subpart D of Federal Reserve Regulation K, Part 347 of the FDIC’s Rules and Regulations, and 12 CFR Part 28, Subpart C (OCC)), and in any guidelines, letters, or instructions issued by the agencies. The entire amount of the ATRR equals the ATRR related to loans and leases held for investment (which is included in Schedule RC, item 4.c, “Allowance for loan and lease losses”) plus the ATRR for assets other than loans and leases held for investment. |
| 31       | **Total risk-weighted assets.** Report the amount derived by subtracting items 29 and 30 from item 28. |
Part II. (cont.)

Memoranda

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<tr>
<td>2.f and 3.f</td>
<td>Precious metals (except gold). Report the remaining maturities of other precious metals contracts that are subject to the regulatory capital rules. Report all silver, platinum, and palladium contracts.</td>
</tr>
<tr>
<td>2.g and 3.g</td>
<td>Other. Report the remaining maturities of other derivative contracts that are subject to the regulatory capital rules. For contracts with multiple exchanges of principal, notional amount is determined by multiplying the contractual amount by the number of remaining payments (i.e., exchanges of principal) in the derivative contract.</td>
</tr>
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4. **Amounts of allowances for credit losses on purchased credit-deteriorated assets.** Only institutions that have adopted CECL are required to report allowances for credit losses on purchased credit-deteriorated (PCD) assets. ASU No. 2016-13 also introduces PCD assets as a replacement for Purchased credit impaired (PCI) assets. The PCD asset definition covers a broader range of assets than the PCI asset definition. CECL requires banking organizations to estimate and record credit loss allowances for a PCD asset at the time of purchase. The credit loss allowance is then added to the purchase price to determine the amortized cost basis of the asset for financial reporting purposes. Post-acquisition increases in credit loss allowances on PCD assets will be established through a charge to earnings. This is different from the current treatment of PCI assets, for which banking organizations are not permitted to estimate and recognize credit loss allowances at the time of purchase. Rather, in general, credit loss allowances for PCI assets are estimated subsequent to the purchase only if there is deterioration in the expected cash flows from the assets.

4a. **Amounts of allowances for credit losses on purchased credit-deteriorated assets: Loans and leases held for investment.** Report all allowances for credit losses on PCD loans and leases.

4b. **Amounts of allowances for credit losses on purchased credit-deteriorated assets: Held-to-maturity debt securities.** Report all allowances for credit losses on PCD HTM debt securities.

4c. **Amounts of allowances for credit losses on purchased credit-deteriorated assets: Other financial assets measured at amortized cost.** Report all allowances for credit losses on all other PCD assets, excluding PCD loans, leases, HTM debt securities, and AFS debt securities.
Item No. | Caption and Instructions
---|---
8 (cont.) | (b) Credit card receivables sold and securitized by the reporting institution with servicing retained or with recourse or other seller-provided credit enhancements included in Schedule SU, item 4.a; and
(c) The reporting institution’s seller’s interests in credit card receivables included as assets in Schedule RC if not reported in Schedule RC-C, Part I, item 6.a.
(Include comparable data on credit card receivables for any affiliated depository institutions.)

OR

(2) The institution is a credit card specialty institution as defined for purposes of the Uniform Bank Performance Report (UBPR). According to the UBPR Users Guide, credit card specialty institutions are currently defined as those institutions that exceed 50 percent for the following two criteria:
(a) Credit Cards plus Securitized and Sold Credit Cards divided by Total Loans plus Securitized and Sold Credit Cards.
(b) Total Loans plus Securitized and Sold Credit Cards divided by Total Assets plus Securitized and Sold Credit Cards.

8.a | Outstanding credit card fees and finance charges included in credit cards to individuals for household, family, and other personal expenditures (retail credit cards).
Report the amount of fees and finance charges included in the amount of credit card receivables reported in Schedule RC-C, Part I, item 6.a.

8.b | Separate valuation allowance for uncollectible retail credit card fees and finance charges. Report the amount of any valuation allowance or contra-asset account that the institution maintains separate from the allowance for loan and lease losses to account for uncollectible fees and finance charges on credit cards (as defined for Schedule RC-C, Part I, item 6.a). This item is only applicable to those institutions that maintain an allowance or contra-asset account separate from the allowance for loan and lease losses. Do not include in this item the amount of any valuation allowance established for impairment in retained interests in accrued interest receivable related to securitized credit cards.

8.c | Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges. Report in this item the amount of the allowance for loan and lease losses that is attributable to outstanding fees and finance charges on credit cards (as defined for Schedule RC-C, Part I, item 6.a). This amount is a component of the amount reported in Schedule RC, item 4.c, and Schedule RI-B, Part II, item 7. Do not include in this item the amount of any valuation allowance established for impairment in retained interests in accrued interest receivable related to securitized credit cards.

8.d | Uncollectible retail credit card fees and finance charges reversed against year-to-date income. Report the amount of fees and finance charges on credit cards (as defined for Schedule RC-C, Part I, item 6.a) that the institution reversed against either interest and fee income or a separate contra-asset account during the calendar year-to-date. Report the amount of fees and finance charges that have been reversed on a gross basis, i.e., do not reduce the amount of reversed fees and finance charges by recoveries of these reversed fees and finance charges. Institutions that have not adopted ASU 2016-13 exclude from this item credit card fees and finance charges reported as charge-offs against the allowance for loan and lease losses in Schedule RI-B, Part I, item 5.a, column A.

For institutions that have adopted ASU 2016-13, exclude from this item credit card fees and finance charges reported as charge-offs against the allowance for credit losses on loans and leases in Schedule RI-B, part I, item 5.a, column A.