

SCHEDULE RI-B – CHARGE-OFFS AND RECOVERIES ON LOANS AND LEASES AND CHANGES IN ALLOWANCES FOR 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 credit losses on loans and leases 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 credit losses on loans and leases 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, 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 entries for "Allowances for Credit Losses" and "Domicile."

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

Item No. Caption and Instructions

- 1** **Loans secured by real estate.** 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.
- 1.a** **Construction, land development, and other land loans (in domestic offices).** 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, column B) charged off and recovered.

Part I. (cont.)

Item No.	Caption and Instructions
1.a.(1)	1-4 family residential construction loans. Report in columns A and B, as appropriate, 1-4 family residential construction loans (as defined for Schedule RC-C, part I, item 1.a.(1), column B) charged off and recovered.
1.a.(2)	Other construction loans and all land development and other land loans. Report in columns A and B, as appropriate, other construction loans and all land development and other land loans (as defined for Schedule RC-C, part I, item 1.a.(2), column B) charged off and recovered.
1.b	Secured by farmland (in domestic offices). Report in columns A and B, as appropriate, loans secured by farmland (as defined for Schedule RC-C, part I, item 1.b, column B) charged off and recovered.
1.c	Secured by 1-4 family residential properties (in domestic offices). Report in the appropriate subitem and column loans secured by 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c, column B) charged off and recovered.
1.c.(1)	Revolving, open-end loans secured 1-4 family residential properties and extended under lines of credit. Report in columns A and B, as appropriate, loans secured by revolving, open-end loans secured by 1-4 family residential properties and extended under line of credit (as defined for Schedule RC-C, part I, item 1.c.(1), column B) charged-off and recovered.
1.c.(2)	Closed-end loans secured by 1-4 family residential properties. Report in the appropriate subitem and column closed-end loans secured by 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c.(2), column B) charged-off and recovered.
1.c.(2)(a)	Secured by first liens. Report in columns A and B, as appropriate, closed-end loans secured by first liens on 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c.(2)(a), column B) charged-off and recovered.
1.c.(2)(b)	Secured by junior liens. Report in columns A and B, as appropriate, closed-end loans secured by junior liens on 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c.(2)(b), column B) charged-off and recovered. Include loans secured by junior liens in this item even if the bank also holds a loan secured by a first lien on the same 1-4 family residential property and there are no intervening junior liens.
1.d	Secured by multifamily (5 or more) residential properties (in domestic offices). Report in columns A and B, as appropriate, loans secured by multifamily (5 or more) residential properties (as defined for Schedule RC-C, part I, item 1.d, column B) charged-off and recovered.
1.e	Secured by nonfarm nonresidential properties (in domestic offices). Report in the appropriate subitem and column loans secured by nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e, column B) charged off and recovered.
1.e.(1)	Loans secured by owner-occupied nonfarm nonresidential properties. Report in columns A and B, as appropriate, loans secured by owner-occupied nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e.(1), column B) charged off and recovered.

Part I. (cont.)**Item No. Caption and Instructions**

1.e.(2) **Loans secured by other nonfarm nonresidential properties.** Report in columns A and B, as appropriate, loans secured by other nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e.(2), column B) charged off and recovered.

NOTE: Item 1.f is not applicable to banks filing the FFIEC 041 report form.

1.f **In foreign offices.** On the FFIEC 031, report in columns A and B, as appropriate, loans secured by real estate (as defined for Schedule RC-C, part I, item 1) in foreign offices charged-off and recovered.

2 Not applicable.

NOTE: Item 3 is not applicable to banks filing the FFIEC 041 report form.

3 **Loans to finance agricultural production and other loans to farmers.** On the FFIEC 031, report in columns A and B, as appropriate, loans to finance agricultural production and other loans to farmers (as defined for Schedule RC-C, part I, item 3, column A) charged-off and recovered.

4 **Commercial and industrial loans.** 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.

NOTE: Items 4.a and 4.b are not applicable to banks filing the FFIEC 041 report form.

4.a **To U.S. addressees (domicile).** On the FFIEC 031, report in columns A and B, as appropriate, commercial and industrial loans to U.S. addressees (as defined for Schedule RC-C, part I, item 4.a, column A) charged-off and recovered.

4.b **To non-U.S. addressees.** On the FFIEC 031, report in columns A and B, as appropriate, commercial and industrial loans to non-U.S. addressees (as defined for Schedule RC-C, part I, item 4.b, column A) charged-off and recovered.

5 **Loans to individuals for household, family, and other personal expenditures.** 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.

5.a **Credit cards.** 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.

5.b **Automobile loans.** 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.

5.c **Other (includes revolving credit plans other than credit cards and other consumer loans).** 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.

Part I. (cont.)**Item No. Caption and Instructions**

NOTE: Item 6 is not applicable to banks filing the FFIEC 041 report form.

- 6** **Loans to foreign governments and official institutions.** On the FFIEC 031, report in columns A and B, as appropriate, loans to foreign governments and official institutions (as defined for Schedule RC-C, part I, item 7) charged-off and recovered.
- 7** **All other loans.** On the FFIEC 041, 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. On the FFIEC 031, report in columns A and B, as appropriate, loans to depository institutions and acceptances of other banks, 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, 8, and 9) charged-off and recovered.
- 8** **Lease financing receivables.** 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.

NOTE: Items 8.a and 8.b are not applicable to banks filing the FFIEC 041 report form.

- 8.a** **Leases to individuals for household, family, and other personal expenditures.** On the FFIEC 031, report in columns A and B, as appropriate, all leases to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 10.a, column A) charged-off and recovered.
- 8.b** **All other leases.** On the FFIEC 031, report in columns A and B, as appropriate, all other leases (as defined for Schedule RC-C, part I, item 10.b, column A) charged-off and recovered.
- 9** **Total.** 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.

Part I. (cont.)**Memoranda****Item No. Caption and Instructions**

- 1** **Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above.**
Report in columns A and B, as appropriate, loans to finance commercial real estate, construction, and land development activities ***not secured by real estate*** (as defined for Schedule RC-C, part I, Memorandum item 3) charged off and recovered. Such loans will have been included in items 4 and 7 of Schedule RI-B, part I, above. Exclude from this item all loans secured by real estate included in item 1 of Schedule RI-B, part I, above.

FFIEC 031 FFIEC 041**Item No. Item No. Caption and Instructions**

NOTE: On the FFIEC 041, Memorandum item 2.a is to be completed by banks that have \$300 million or more in total assets.

- 2** **2.a** **Loans secured by real estate to non-U.S. addressees (domicile).** Report in columns A and B, as appropriate, loans secured by real estate to non-U.S. addressees (as defined for Schedule RC-C, part 1, Memorandum item 5) charged off and recovered. Such loans will have been included in Schedule RI-B, part I, item 1, above.

FFIEC 041**Item No. Caption and Instructions**

NOTE: On the FFIEC 041, Memorandum items 2.c and 2.d are to be completed by banks that have \$300 million or more in total assets.

- 2.b** Not applicable.
- 2.c** **Commercial and industrial loans to non-U.S. addressees (domicile).** Report in columns A and B, as appropriate, commercial and industrial loans to non-U.S. addressees (as defined for Schedule RC-C, part I, item 4.b, column A) charged off and recovered. Such loans will have been included in Schedule RI-B, part I, item 4, above.
- 2.d** **Leases to individuals for household, family, and other personal expenditures.**
Report in columns A and B, as appropriate, leases to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 10.a, column A) charged off and recovered. Such leases will have been included in Schedule RI-B, part I, item 8, above.

Part I. (cont.)**Memoranda****FFIEC 041****Item No. Caption and Instructions****3 Loans to finance agricultural production and other loans to farmers.**

Memorandum item 3 is to be completed by:

- banks with \$300 million or more in total assets, and
- banks with less than \$300 million in total assets and with loans to finance agricultural production and other loans to farmers (as reported in Schedule RC-C, part I, item 3, column B) exceeding five percent of total loans and leases held for investment and held for sale (Schedule RC-C, part I, item 12).

Report in columns A and B, as appropriate, loans to finance agricultural production and other loans to farmers (as defined for Schedule RC-C, part I, item 3, column B) charged off and recovered. Such loans will have been included in Schedule RI-B, part I, item 7, above.

NOTE: Memorandum item 4 is to be completed only by those banks that:

- (1) either individually or on a combined basis with their affiliated depository institutions, report outstanding credit card receivables that exceed, in the aggregate, \$500 million as of the report date. Outstanding credit card receivables are the sum of:
 - (a) Schedule RC-C, part I, item 6.a (column B on the FFIEC 041, column A on the FFIEC 031);
 - (b) Schedule RC-S, item 1, column C; and
 - (c) Schedule RC-S, item 6.a, column C.
 (Include comparable data on managed credit card receivables for any affiliated depository institution.)

OR

- (2) are credit card specialty banks as defined for purposes of the Uniform Bank Performance Report (UBPR). According to the UBPR Users Guide, credit card specialty banks are currently defined as those banks that exceed 50% 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.

FFIEC 031 and 041**Item No. Caption and Instructions**

- 4 Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for credit losses on loans and leases).** Report the amount of fees and finance charges on credit cards (as defined for Schedule RC-C, part I, item 6.a) that the bank 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 should 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.

Part II. Changes In Allowances for Credit Losses

General Instructions

This part has three columns for information on year-to-date activity in the allowances for credit losses, one for each of the following three asset categories: (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 should report reconcilements of the allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities in columns A, B, and C, respectively.

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 reconciliation should include in column A the activity in the allocated transfer risk reserve during the calendar year-to-date that relates to loans and leases held for investment. Institutions should report such activity that relates to held-to-maturity and available-for-sale debt securities in columns B and C, respectively.

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 "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, the acquired loans and leases must be measured at their acquisition-date fair values. Therefore, the institution may not carry over the allowances for credit losses of the acquired institution or other business as of the acquisition date. However, for a reporting institution that has acquired financial assets in a business combination that management has determined to be purchased credit-deteriorated as of the acquisition date, the institution should report the initial allowance gross-up amounts established upon the purchase of these assets, which are recorded at the date of acquisition as an addition to the purchase price to determine the initial amortized cost basis of the assets, should be reported as positive amounts in the applicable columns of Schedule RI-B, Part II, item 6, "Adjustments."

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. 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

Part II. (cont.)**General Instructions (cont.)**

allowances for credit losses as of the acquisition date. As a consequence, the amounts reported in Schedule RI-B, Part II, item 1, columns A, B, and C, for the balances of the allowances for credit losses most recently reported for the end of the previous calendar year must be reported as negative amounts in Schedule RI-B, Part II, item 6, columns A, B, and C, "Adjustments." In addition, when applying pushdown accounting, for those financial assets that management has determined to be purchased credit-deteriorated as of the institution's acquisition date, the institution should report as positive amounts in the applicable columns of Schedule RI-B, Part II, item 6, "Adjustments," the initial allowance gross-up amounts established as of the acquisition date, which are recorded as an addition to the acquisition-date fair values of these purchased credit-deteriorated assets to determine their initial amortized cost basis.

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. A reporting institution should report the balances 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, columns A, B, or C, "Adjustments."

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

Item Instructions**Item No. Caption and Instructions**

- 1 **Balance most recently reported for the December 31, 20xx, Reports of Condition and Income.** Report in columns A, B, and C the balances of the institution's allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, 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 these allowances for credit losses that were made in any amended report(s) for the previous calendar year-end.
- 2 **Recoveries.** Report in columns A, B, and C the amounts credited to the allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, for recoveries during the calendar year-to-date on amounts previously charged against these allowances for credit losses. The amount reported in column A for this item must equal Schedule RI-B, Part I, item 9, column B.
- 3 **LESS: Charge-offs.** Report in columns A, B, and C the amounts of loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities charged against the allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, during the calendar year-to-date. The amount reported in column A for this item must equal Schedule RI-B, Part I, item 9, column A, "Total" charge-offs, less Schedule RI-B, Part II, item 4, column A, "LESS: Write-downs arising from transfers of financial assets."

Part II. (cont.)**Item No. Caption and Instructions**

- 4** **LESS: Write-downs arising from transfers of financial assets.** Report in columns A, B, and C the amounts of write-downs to fair value charged against the allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, 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 between held-to-maturity, available-for-sale, and trading accounts during the calendar year-to-date.
- 5** **Provisions for credit losses.** Report in columns A, B, and C the amounts expensed as provisions for credit losses (or reversals of provisions) on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, during the calendar year-to-date. Provisions for credit losses (or reversals of provisions) on loans and leases held for investment and held-to-maturity debt securities represent the amounts necessary to adjust the related allowances for credit losses at the quarter-end report date for management's current estimate of expected credit losses on these assets. Provisions for credit losses (or reversals of provisions) on available-for-sale debt securities represent changes during the calendar year to date in the amount of impairment related to credit losses on individual available-for-sale debt securities. The sum of the amounts reported in item 5, columns A through C, plus Schedule RI-B, Part II, Memorandum items 5, "Provisions for credit losses on other financial assets measured at amortized cost," and 7, "Provisions for credit losses on off-balance-sheet credit exposures," must equal Schedule RI, item 4. If the amount reported in column A, B, or C for this item is negative, report it with a minus (-) sign.
- 6** **Adjustments.** Report all activity in the allowances for credit losses, as applicable, that cannot be properly reported in Schedule RI-B, Part II, items 2 through 5, above.

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), it should report as negative amounts in columns A, B, and C of this item the balances of the allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, most recently reported for the end of the previous calendar year in Schedule RI-B, Part II, item 1, columns A, B, and C, above. In addition, when applying pushdown accounting, for those financial assets that management has determined to be purchased credit-deteriorated as of the institution's acquisition date, the institution should report as positive amounts in columns A, B, and C of this item, as appropriate, the initial allowance gross-up amounts established as of the acquisition date, which are recorded as an addition to the acquisition-date fair values of these purchased credit-deteriorated assets to determine their initial amortized cost basis.

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, it should report in columns A, B, and C of this item the balances as of the end of the previous calendar year of the allowances for credit losses on loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities, respectively, of the institution or other business that combined with the reporting institution in the common control transaction.

The changes in allowance amounts include the calendar year-to-date initial gross-up amounts recognized upon the acquisition of purchased credit-deteriorated assets.

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

Part II. (cont.)

State the dollar amount of and describe the transactions included in this item in Schedule RI-E, Explanations, items 6.a and 6.b, as appropriate.

Item No. Caption and Instructions

- 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 for this item must equal the allowance amount reported in Schedule RC, item 4.c.

Memoranda**Item No. Caption and Instructions**

- 1** **Allocated transfer risk reserve included in Schedule RI-B, Part II, item 7, column A, above.** Report the amount of any allocated transfer risk reserve related to loans and leases held for investment that the reporting bank is required to establish and maintain that the bank has included in the end-of-period balance of the allowance for credit losses on loans and leases reported in Schedule RI-B, Part II, item 7, column A, above, and in Schedule RC, item 4.c.

NOTE: Memorandum items 2 and 3 are to be completed only by those banks that:

- (1) either individually or on a combined basis with their affiliated depository institutions, report outstanding credit card receivables that exceed, in the aggregate, \$500 million as of the report date. Outstanding credit card receivables are the sum of:
- (a) Schedule RC-C, part I, item 6.a (column B on the FFIEC 041, column A on the FFIEC 031);
 - (b) Schedule RC-S, item 1, column C; and
 - (c) Schedule RC-S, item 6.a, column C.
- (Include comparable data on managed credit card receivables for any affiliated depository institution.)
- OR
- (2) are credit card specialty banks as defined for purposes of the Uniform Bank Performance Report (UBPR). According to the UBPR Users Guide, credit card specialty banks are currently defined as those banks that exceed 50% 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.

- 2** **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 credit losses on loans and leases to account for uncollectible fees and finance charges on credit cards (as defined for Schedule RC-C, part I, item 6.a).

This Memorandum item is only applicable to those institutions that maintain an allowance or contra-asset account separate from the allowance for credit losses on loans and leases. 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.

Part II. (cont.)**Memoranda****Item No. Caption and Instructions**

- 3** **Amount of allowance for credit losses on loans and leases attributable to retail credit card fees and finance charges.** Report in this item the amount of the allowance for credit losses on loans and leases 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, column A.

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.

- 4** Not applicable.

- 5** **Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above).** Report in this item the year-to-date amount of provisions for credit losses (or reversals of provisions) included in Schedule RI, item 4, on financial assets measured at amortized cost other than loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities. Provisions for credit losses (or reversals of provisions) on these other financial assets measured at amortized cost represent the amounts necessary to adjust the related allowances for credit losses at the quarter-end report date for management's current estimate of expected credit losses on these assets.

Exclude provisions for credit losses on off-balance-sheet credit exposures, which are reported in Schedule RI-B, Part II, Memorandum item 7, below.

- 6** **Allowances for credit losses on other financial assets measured at amortized cost (not included in item 7, above).** Report in this item the total amount of allowances for credit losses on financial assets measured at amortized cost other than loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities. The allowances to be included in this item are associated with the provisions for credit losses reported in Memorandum item 5, above.

Exclude the allowance for credit losses on off-balance sheet credit exposures, which is reported in Schedule RC-G, item 3.

- 7** **Provisions for credit losses on off-balance-sheet credit exposures.** Report in this item the year-to-date amount of provisions for credit losses (or reversals of provisions) on off-balance-sheet credit exposures included in the amount reported in Schedule RI, item 4. Provisions for credit losses (or reversals of provisions) on off-balance-sheet credit exposures represent the amounts necessary to adjust the related allowance for credit losses at the quarter-end report date for management's current estimate of expected credit losses on these exposures.

Part II. (cont.)**Memoranda****Item No. Caption and Instructions**

- 8 Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, "Balance end of current period", above).** Report in this item the estimated amount of expected recoveries of amounts previously written off¹ included within the allowance for credit losses on loans and leases held for investment. This item applies to loans and leases held for investment, including purchased credit-deteriorated loans held for investment, and does not apply to held-to-maturity debt securities or available-for-sale-debt securities.

Expected recoveries of amounts previously written off and expected to be written off shall be included in the allowance for credit losses and shall not exceed the aggregate of amounts previously written off and expected to be written off by an institution. However, exclude from this item the estimated amount of expected recoveries of amounts expected to be written off included in the allowance for credit losses.

In accordance with ASC Topic 326, estimated expected recoveries are a component of management's estimation of the net amount expected to be collected for a financial asset or a pool of financial assets. If an institution can support an estimate of expected recoveries for a pool of unsecured loans, each of which was deemed uncollectible and fully written off on an individual asset basis, the institution reduces the allowance for credit losses by the institution's estimate of recoveries expected on a pool basis.

¹ The term "written off" as used in ASC Topic 326 and in the instructions for this item is used interchangeably with the term "charged off," which is used elsewhere in the Call Report instructions.