

SCHEDULE RI-E – EXPLANATIONS

General Instructions

Items 1 and 2 of Schedule RI-E are to be completed annually on a calendar year-to-date basis in the December report only. Items 3 through 6 of Schedule RI-E are to be completed each quarter on a calendar year-to-date basis.

On those lines for which your bank must provide a description of the amount being reported, the description should not exceed 50 characters (including punctuation and spacing between words). If additional space is needed to complete a description or if your bank, at its option, chooses to briefly describe other significant items affecting the Consolidated Report of Income, item 7 of this schedule may be used. Any amounts reported in Schedule RI-E, item 2.g, "FDIC deposit insurance assessments," for report dates beginning June 30, 2009, will not be made available to the public on an individual institution basis.

Item Instructions

Item No. Caption and Instructions

- 1** **Other noninterest income.** Disclose in items 1.a through 1.j each component of Schedule RI, item 5.l, "Other noninterest income," and the dollar amount of such component, that is greater than \$100,000 and exceeds 7 percent of the "Other noninterest income." If net losses have been reported in Schedule RI, item 5.l, for a component of "Other noninterest income," use the absolute value of such net losses to determine whether the amount of the net losses is greater than \$100,000 and exceeds 7 percent of "Other noninterest income" and should be reported in this item. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.) If net losses are reported in this item, report them with a minus (-) sign.

Preprinted captions have been provided for the following categories of "Other noninterest income":

- Item 1.a, "Income and fees from the printing and sale of checks,"
- Item 1.b, "Earnings on/increase in value of cash surrender value of life insurance,"
- Item 1.c, "Income and fees from automated teller machines (ATMs),"
- Item 1.d, "Rent and other income from other real estate owned,"
- Item 1.e, "Safe deposit box rent,"
- Item 1.f, "Bank card and credit card interchange fees," and
- Item 1.g "Income and fees from wire transfers not reportable as service charges on deposit accounts."

General descriptions of the components of "Other noninterest income," including those for which preprinted captions have been provided in items 1.a through 1.g, are included in the instructions for Schedule RI, item 5.l. However, institutions need not adjust their internal noninterest income definitions to match the agencies' descriptions in the item 5.l instructions. Rather, institutions may report the components of their "Other noninterest income" in items 1.a through 1.j using their internal definitions, provided the internal definitions are used consistently over time.

For other components of "Other noninterest income" that exceed the disclosure threshold, list and briefly describe these components in items 1.h through 1.j and, if necessary, in Schedule RI-E, item 7, below.

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(cont.) For components of “Other noninterest income” that reflect a single credit for separate “bundled services” provided through third party vendors, disclose such amounts in the item that most closely describes the predominant type of income earned, and this categorization should be used consistently over time.

2 **Other noninterest expense.** Disclose in items 2.a through 2.p each component of Schedule RI, item 7.d, “Other noninterest expense,” and the dollar amount of such component, that is greater than \$100,000 and exceeds 7 percent of the “Other noninterest expense.” If net gains have been reported in Schedule RI, item 7.d, for a component of “Other noninterest expense,” use the absolute value of such net gains to determine whether the amount of the net gains is greater than \$100,000 and exceeds 7 percent of “Other noninterest expense” and should be reported in this item. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.) If net gains are reported in this item, report them with a minus (-) sign.

Preprinted captions have been provided for the following components of “Other noninterest expense”:

- Item 2.a, “Data processing expenses,”
- Item 2.b, “Advertising and marketing expenses,”
- Item 2.c, “Directors’ fees,”
- Item 2.d, “Printing, stationery, and supplies,”
- Item 2.e, “Postage,”
- Item 2.f, “Legal fees and expenses,”
- Item 2.g, “FDIC deposit insurance assessments,”
- Item 2.h, “Accounting and auditing expenses,”
- Item 2.i, “Consulting and advisory expenses,”
- Item 2.j, “Automated teller machine (ATM) and interchange expenses,”
- Item 2.k, “Telecommunications expenses,”
- Item 2.l, “Other real estate owned expenses,” and
- Item 2.m, “Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses).”

General descriptions of the components of “Other noninterest expense,” including those for which preprinted captions have been provided in items 2.a through 2.m, are included in the instructions for Schedule RI, item 7.d. However, institutions need not adjust their internal noninterest expense definitions to match the agencies’ descriptions in the item 7.d instructions. Rather, institutions may report the components of their “Other noninterest expense” in items 2.a through 2.p using their internal definitions, provided the internal definitions are used consistently over time.

For other components of “Other noninterest expense” that exceed the disclosure threshold, list and briefly describe these components in items 2.n through 2.p and, if necessary, in Schedule RI-E, item 7, below.

For components of “Other noninterest expense” that reflect a single charge for separate “bundled services” provided by third party vendors, disclose such amounts in the item that most closely describes the predominant type of expense incurred, and this categorization should be used consistently over time.

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- 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.** Disclose in items 4.a through 4.d 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.

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.

Preprinted captions have been provided for the following accounting principle changes:

- Item 4.a, "Effect of adoption of current expected credit losses methodology – ASU 2016-13," and
- Item 4.b, "Effect of adoption of lease accounting standard – ASC Topic 842."

In item 4.a, report the cumulative-effect adjustment included in Schedule RI-A, item 2, for the changes in the allowances for credit losses, net of applicable income taxes, recognized in retained earnings as of the beginning of the fiscal year in which the institution adopts FASB [Accounting Standards Update No. 2016-13](#) (ASU 2016-13), which governs the accounting for credit losses. Exclude the initial allowance gross-up amounts for any purchased credit-impaired assets held as of the effective date of ASU 2016-13 that, in accordance with the ASU, are deemed purchased credit-deteriorated assets as of that date (report the initial allowance gross-up amounts for loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities in the appropriate column of Schedule RI-B, Part II, item 6, and in the aggregate in Schedule RI-E, item 6.b). Institutions that have not adopted ASU 2016-13 should leave item 4.a blank.

In item 4.b, report the adjustment to bank equity capital included in Schedule RI-A, item 2, resulting from the initial application of ASC Topic 842, Leases, net of applicable income taxes, as of the beginning of the fiscal year in which the institution adopts this accounting standard. Institutions that have not adopted ASC Topic 842 should leave item 4.b blank.

For other accounting principle changes and accounting error corrections included in Schedule RI-A, item 2, list and briefly describe in items 4.c and 4.d 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. If Schedule RI-A, item 2, includes more than two accounting principle changes and accounting error corrections (other than the accounting principle changes reported in items 4.a and 4.b), report the cumulative effect of each additional accounting principle change and accounting error correction in Schedule RI-E, item 7, below.

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- 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 allowances for credit losses.** Disclose in items 6.a through 6.d the dollar amount of each type of adjustment to allowances for credit losses on loans and leases, held-to-maturity debt securities, and available-for-sale debt securities that is included in Schedule RI-B, Part II, item 6, columns A, B, and C, respectively.

If the effect of an adjustment is to reduce the bank's allowances for credit losses, report the dollar amount with a minus (-) sign.

Preprinted captions have been provided for the following adjustments to allowances for credit losses:

- Item 6.a, "Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets on or after the effective date of ASU 2016-13," and
- Item 6.b, "Effect of adoption of current expected credit losses methodology on allowances for credit losses."

In item 6.a, institutions that have adopted FASB [Accounting Standards Update No. 2016-13](#) (ASU 2016-13), which governs the accounting for credit losses, should report the initial allowance gross-up amounts recognized on purchased credit-deteriorated assets that are included in Schedule RI-B, Part II, item 6, columns A, B, and C.

Institutions that adopted ASU 2016-13 as of an effective date during the year-to-date reporting period should include the following in the amounts reported:

- The initial allowance gross-up amounts for any purchased credit-impaired assets held as of the effective date of ASU 2016-13 that, in accordance with the ASU, are deemed purchased credit-deteriorated assets as of that date; and
- The calendar year-to-date initial gross-up amounts recognized upon the acquisition of purchased credit-deteriorated assets acquired on or after the effective date.

Institutions that adopted ASU 2016-13 as of an effective date in a prior calendar year should report in this item the year-to-date initial gross-up amounts recognized upon the acquisition of purchased credit-deteriorated assets acquired in the calendar year.

Exclude post-acquisition changes in the allowances for credit losses on purchased credit-deteriorated loans and leases, held-to-maturity debt securities, and available-for-sale debt securities (report such changes as provisions for credit losses in Schedule RI-B, Part II, item 5, columns A, B, and C, respectively). Institutions that have not adopted ASU 2016-13 should leave item 6.a blank.

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(cont.) In item 6.b, institutions that have adopted ASU 2016-13 should report the changes in allowance amounts from initially applying ASU 2016-13 to loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities as of the beginning of the fiscal year in which the institution adopts this ASU. These changes in allowance amounts include the initial allowance gross-up amounts for any purchased credit-impaired assets held as of the effective date of ASU 2016-13 that, in accordance with the ASU, are deemed purchased credit-deteriorated assets as of that date (also included in item 6.a, above).

Exclude the gross-up related to purchased credit-deteriorated assets acquired on or after the effective date captured in item 6.a, above. Institutions that have not adopted ASU 2016-13 should leave item 6.b blank.

Institutions that have not adopted ASU 2016-13 should list and briefly describe in items 6.c and 6.d the dollar amount of each type of adjustment to the allowance for loan and lease losses included in Schedule RI-B, Part II, item 6, column A.

Institutions that have adopted ASU 2016-13 should list and briefly describe in items 6.c and 6.d the dollar amount of each type of adjustment to allowances for credit losses included in Schedule RI-B, Part II, item 6, columns A, B, and C, that is not reported in items 6.a or 6.b.

If Schedule RI-B, Part II, item 6, includes more than two types of adjustments (other than the adjustments reported in items 6.a and 6.b), report the additional adjustments in Schedule RI-E, item 7, below.

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.

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