Solution:

(1)

"Allowance for Loans & Lease Losses": For a bank, this refers to the allowance for the loss that is incurred when a person/firm decides to default on loans or leases, causing losses to Tompkins. This is a contra account to the "Reserves" in their balance sheet.

"Provisions charged to Operation": This relates to the estimation of the defaulters of the current fiscal year, based on the estimates.

"Loans & Leases charged off": This refers to the writing off loans and leases that are deemed uncollectible.

(2)

<table>
<tr><th colspan="4">JOURNAL ENTRIES (in thousands of $)</th></tr>
<tr><th>Date</th><th>Particulars</th><th>Debit</th><th>Credit</th></tr>
<tr><td rowspan="3">2011 summary entries</td><td>Allowance for Loans & Leases Losses
To Loans & Leases Receivables
(Being write-off of specific loans.)</td><td>10,232</td><td>10,232</td></tr>
<tr><td>Loans & Leases Receivables
To Allowance for Loans & Leases Losses
(Being reversal of entry.)
Cash
To Loans & Leases Receivables
(Being recovery of the loan deemed uncollectible.)</td><td>1,048
1,048</td><td>1,048
1,048</td></tr>
<tr><td>Provisions Charged to Operations
To Allowance for Loans & Leases Losses
(Being credit losses against income.)</td><td>8,945</td><td>8,945</td></tr>
</table>

(3)

The current provision is given by $27,953,000 and we want to make it $30,00,000. Thus, the provision that should be charged in 2011 is given by:

Extra Provision Charged = $30 - $27.953 million

= $2.047 million

Currently, the provision is $8,945,000 so the new provision becomes

$$Provision = \$2{,}047{,}000 + \$8{,}945{,}000 = \$10{,}992{,}000$$

Or Provisions = $10.99 million

(4)

If the income is $51,923,000 and the allowance is $30,000,000, then this means that the income before tax is given by:

Income = $21,923,000