(1)

“Allowance for loans & leases”: This term refers to the loans and leases that are allowed by the bank under the allowance method.

“Provisions charged for operation”: This term should refer to the provisions that are charged for operations by the bank e.g. transaction fees related to loans, compensation balances etc.

“Loans & Leases waived off”: This is used for confirming that the loans are now uncollectible deemed and so, they are not expected to be collected.

(2)

The journal entries for them are as follows:

|  |  |  |
| --- | --- | --- |
| Particulars | Debit | Credit |
|  |  |  |
|  |  |  |
|  |  |  |