SCHEDULE RI-A – CHANGES IN BANK EQUITY CAPITAL

General Instructions

This schedule is to be completed quarterly by all banks.

Total bank equity capital includes perpetual preferred stock, common stock, surplus, retained earnings, and accumulated other comprehensive income. All amounts in Schedule RI-A, other than those reported in items 1, 3, and 12, should represent net aggregate changes for the calendar year-to-date. Report all net decreases and losses (net reductions in bank equity capital) with a minus (-) sign.

Item No. **Caption and Instructions**

1 **Total bank equity capital most recently reported for the December 31, 20xx, Reports of Condition and Income.** Report the bank's total equity capital balance as reported in the Reports of Condition and Income for the previous calendar year-end after the effect of all corrections and adjustments to total bank equity capital that were made in any amended report(s) for the previous calendar year-end.

For banks opened since January 1 of the current calendar year, report a zero in this item. Report the bank's opening (original) total equity capital in Schedule RI-A, item 5, "Sale, conversion, acquisition, or retirement of capital stock, net."

2 **Cumulative effect of changes in accounting principles and corrections of material accounting errors.** Report the sum of the cumulative effect, net of applicable income taxes, of all changes in accounting principles adopted during the calendar year-to-date reporting period that were applied retroactively and for which prior years' financial statements were restated and all corrections resulting from material accounting errors that were made in prior years' Reports of Condition and Income and not corrected by the filing of an amended report for the period in which the error was made.

Include only those corrections that result from:

(1) Mathematical mistakes.

(2) Mistakes in applying accounting principles.

(3) Improper use of information which existed when the prior Reports of Condition and Income were prepared.

(4) A change from an accounting principle that is neither accepted nor sanctioned by bank supervisors to one that is acceptable to supervisors.

The effect of accounting errors differs from the effect of changes in accounting estimates. Changes in accounting estimates are an inherent part of the accrual accounting process. Report the effect of any changes in accounting estimates in the appropriate line items of Schedule RI, Income Statement.

The cumulative effect of a change in accounting principle is the difference between (1) the balance in the retained earnings account at the beginning of the year in which the change is made and (2) the balance in the retained earnings account that would have been reported

Item No.	Caption and Instructions

2 (cont.) at the beginning of the year had the newly adopted accounting principle been applied in all prior periods.

State the dollar amount of and describe the cumulative effect of each accounting principle change and accounting error correction included in this item in Schedule RI-E, item 4.

Refer to the Glossary entry for "accounting changes" for additional information on how to report the effects of changes in accounting principles, corrections of errors, and changes in estimates.

3 **Balance end of previous calendar year as restated.** Report the sum of items 1 and 2.

4 **Net income (loss) attributable to bank.** Report the net income (loss) attributable to the bank for the calendar year-to-date as reported in Schedule RI, item 14, "Net income (loss) attributable to bank."

5 **Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).** Report the changes in the bank's total equity capital resulting from:

(1) Sale of the bank's perpetual preferred stock or common stock. Limited-life preferred stock is not included in equity capital; any proceeds from the sale of limited-life preferred stock during the calendar year-to-date is not to be reported in this schedule.

(2) Exercise of stock options, including:

- (a) Any income tax benefits to the bank resulting from the sale of the bank's own stock acquired under a qualified stock option within three years of its purchase by the employee who had been granted the option.
- (b) Any tax benefits to the bank resulting from the exercise (or granting) of nonqualified stock options (on the bank's stock) based on the difference between the option price and the fair market value of the stock at the date of exercise (or grant).

(3) Conversion of convertible debt, limited-life preferred stock, or perpetual preferred stock into perpetual preferred or common stock.

(4) Redemption of perpetual preferred stock or common stock.

(5) Retirement of perpetual preferred stock or common stock.

(6) Capital-related transactions involving the bank's Employee Stock Ownership Plan.

(7) The awarding of share-based employee compensation classified as equity. Under ASC Topic 718, Compensation-Stock Compensation (formerly FASB Statement No. 123(R), “Share-Based Payment”), the compensation cost for such an award must be recognized over the requisite service period with a corresponding credit to equity. This reporting treatment applies regardless of whether the shares awarded to an employee are shares of bank stock or shares of stock in the bank's parent holding company.

<u>Item No.</u> <u>Caption and Instructions</u>

5 (cont.) <u>Include</u> in this item:

(1) The net decrease in equity capital that occurs when cash is distributed in lieu of fractional shares in a stock dividend.

(2) The net increase in equity capital when a stockholder who receives a fractional share from a stock dividend purchases the additional fraction necessary to make a whole share.

<u>Exclude</u> treasury stock transactions from this item (report such transactions in Schedule RI-A, item 6, below).

For banks opened since January 1 of the year-to-date reporting period, report opening (original) equity capital in this item. Pre-opening income earned and expenses incurred from the bank's inception until the date the bank commenced operations should be reported in the Report of Income using one of the two following methods, consistent with the manner in which the bank reports pre-opening income and expenses for other financial reporting purposes:

(1) Pre-opening income and expenses for the entire period from the bank's inception until the date the bank commenced operations should be reported in the appropriate items of Schedule RI, Income Statement, each quarter during the calendar year in which operations commenced; or

(2) Pre-opening income and expenses for the period from the bank's inception until the beginning of the calendar year in which the bank commenced operations should be included, along with the bank's opening (original) equity capital, in this item. The net amount of these pre-opening income and expenses should be identified and described in Schedule RI-E, item 7. Pre-opening income earned and expenses incurred during the calendar year in which the bank commenced operations should be reported in the appropriate items of Schedule RI, Income Statement, each quarter during the calendar year in which operations commenced.

6 **<u>Treasury stock transactions, net.</u>** Report the change in the bank's total equity capital during the calendar year to date from the acquisition (without retirement) and resale or other disposal of the bank's own perpetual preferred stock or common stock, i.e., treasury stock transactions (see the Glossary entry for "treasury stock").

7 **<u>Changes incident to business combinations, net.</u>** If the reporting institution purchased another institution or business during the year-to-date reporting period, report the fair value of any perpetual preferred or common shares issued (less the direct cost of issuing the shares). Exclude the fair value of limited-life preferred stock issued in connection with purchase acquisitions. Refer to the Glossary entry for "business combinations" for further information on purchase acquisitions.

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), report in this item the initial increase or decrease in equity capital that results from the application of pushdown accounting, i.e., the difference between the institution's total equity capital as of the end of the previous calendar year and its restated equity capital after the pushdown adjusting entries have been recorded as of the acquisition date. For further information on pushdown accounting, refer to the Glossary entry for "business combinations."

Item No.	Caption and Instructions
7 (cont.)	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 in this item the historical equity capital balances as of the end of the previous calendar year of the institution or other business that was combined with the reporting institution in the transaction. For further information on transactions between entities under common control, refer to the Glossary entry for "business combinations."
8	**LESS: Cash dividends declared on preferred stock.** Report all cash dividends declared on limited-life preferred and perpetual preferred stock during the calendar year-to-date, including dividends not payable until after the report date. Do not include dividends declared during the previous calendar year but paid in the current period. Refer to the Glossary entry for "dividends" for further information on cash dividends.
9	**LESS: Cash dividends declared on common stock.** Report all cash dividends declared on common stock during the calendar year-to-date, including dividends not payable until after the report date. Do not include dividends declared during the previous calendar year but paid in the current period. For further information on cash dividends, see the Glossary entry for "dividends."
10	**Other comprehensive income.** Report the institution's other comprehensive income, including reclassification adjustments, for the calendar year-to-date, net of applicable income taxes, if any. Reclassification adjustments are adjustments made to avoid double counting of items in comprehensive income that are presented as part of net income for the calendar year-to-date reporting period that also had been presented as part of other comprehensive income in that reporting period or earlier reporting periods. If the amount to be reported in this item represents a reduction in the institution's equity capital, report the amount with a minus (-) sign. Items of other comprehensive income include: (1) The change in net unrealized holding gains (losses) on the institution's available-for-sale debt securities. (2) Unrealized holding gains (losses) that result from a debt security being transferred into the available-for-sale category from the held-to-maturity category. (3) For a debt security transferred into the held-to-maturity category from the available-for-sale category, amortization of the unrealized holding gain (loss) on the debt security at the date of transfer. Consistent with ASC Subtopic 320, Investments-Debt Securities, this unrealized holding gain (loss) should be amortized over the remaining life of the debt security as an adjustment of yield. (4) The 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, Investments-Debt Securities, subsequent decreases (if not

Item No.	Caption and Instructions

10 (cont.)

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, and subsequent accretion (based on the amount and timing of future estimated cash flows) of the portion of other-than-temporary impairment losses on held-to-maturity debt securities not recognized in earnings.

(5) The change in the institution’s accumulated net gains (losses) on derivative instruments that are designated as, and qualify as, cash flow hedges.

(6) For derivative instruments that are designated in qualifying hedging relationships, the year-to-date difference between the changes in fair value of components excluded from assessments of effectiveness and the initial value of the excluded components recognized in earnings under a systematic and rational method when the amortization approach for excluded components has been elected in accordance with ASC Topic 815, Derivatives and Hedging.

(7) Gains (losses) and transition assets or obligations associated with single-employer defined benefit pension and other postretirement plans not recognized immediately as a component of net periodic benefit cost and prior service costs or credits associated with such plans, which are accounted for in accordance with ASC Topic 715, Compensation-Retirement Benefits.

(8) The portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (“own credit risk”) when the institution has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

(9) On the FFIEC 031 only, the change in the institution’s cumulative foreign currency translation adjustments and gains (losses) on certain foreign currency transactions. Refer to the Glossary entry for "Foreign Currency Transactions and Translation" for further information on accounting for foreign currency translation.

Exclude the year-to-date change in net unrealized holding gains (losses) on equity securities with readily determinable fair values not held for trading (report in Schedule RI, item 8.b).

For further guidance on reporting other comprehensive income, see ASC Topic 220, Comprehensive Income.

11 **Other transactions with stockholders (including a parent holding company).** Report the net aggregate amount of transactions with the institution's stockholders, including its parent holding company, if any, that affect equity capital directly (other than those transactions reported in Schedule RI-A, items 5, 6, 8, and 9, above), such as:

(1) Capital contributions, other than those for which stock has been issued to stockholders. Include amounts contributed to the subsidiary institution from stockholders, including grants received by a parent holding company that are in turn transferred to the subsidiary institution. Report issuances of perpetual preferred and common stock and sales of treasury stock in Schedule RI-A, items 5 and 6, respectively; issuances of limited-life preferred stock are not reported in Schedule RI-A.

(2) Dividends distributed to stockholders in the form of property rather than cash (report cash dividends in Schedule RI-A, items 8 or 9, as appropriate). Record such property dividends at the fair value of the transferred asset. Include any gain or loss recognized on the disposition of the asset in the determination of net income for the calendar

Item No.	Caption and Instructions
11 (cont.)	year-to-date in Schedule RI, Income Statement. Refer to the Glossary entry for "Dividends" for additional information on property dividends.
	(3) Return-of-capital transactions in which contributed capital (i.e., surplus) is reduced without retiring stock and cash is distributed to the institution's stockholders.
	State the dollar amount of and describe each transaction included in this item in Schedule RI-E, item 5.
12	**Total bank equity capital end of current period.** Report the sum of Schedule RI-A, items 3 through 11. This item must equal Schedule RC, item 27.a, "Total bank equity capital."