Step 1: Calculate day-one transitional amounts:

Calculate the “Day-One” Impact of Adopting CECL for the following items consistent with the 2019 CECL Rule.

- **Retained Earnings (“CECL Transitional Amount”)**
  Equal to the difference between pre-CECL and post-CECL amounts of retained earnings at adoption

- **Credit Loss Allowance (Adjusted Allowance for Credit Losses - “AACL Transitional Amount”)**
  Equal to the difference between pre-CECL amount of ALLL and post-CECL amount of AACL at adoption

- **Temporary Difference Deferred Tax Assets (“DTA Transitional Amount”)**
  Equal to the difference between pre-CECL amount and post-CECL amount of DTAs at adoption due to temporary differences

*Adjusted Allowance for Credit Losses (“AACL”) is a new regulatory defined term under 2019 CECL Rule that includes only those allowances that have been charged against earnings or retained earnings.*