Step 3: Calculate the phase-in amount over the next three years, and the regulatory impact:

After two years, the cumulative amount of quarterly-modified transitional amounts become fixed and are phased out of regulatory capital along with the transitional amounts that were calculated to reflect the Day One impact of CECL.

The phase out occurs over the subsequent three-year period at following rates:

	Year 3	Year 4	Year 5
Increase retained earnings and average total consolidated assets by the following percentages of the modified CECL transitional amount……………………………………………………………… Decrease temporary difference DTAs by the following percentages of the DTA transitional amount……………………… Decrease AACL by the following percentages of the modified AACL transitional amount………………………………....................	75%	50%	25%