

OPTIONAL REGULATORY CAPITAL WORKSHEET

WORKSHEET PART 1.

CALCULATION OF ELIGIBLE TIER 1 CAPITAL

	<u>Schedule</u>	<u>Item #</u>	<u>Amount</u>	<u>Item Name/Comments</u>
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Components of Tier 1 Capital:

1.	RC	24 plus 25	_____	Common stock and surplus
2.	RC	26.a plus 27	_____	Undivided profits and F/X translation adjustment
3.	RC-B RC-B	6 col. C minus 6 col. D	_____	Unrealized loss on equity securities (subtract total of items 6a,b,c. column D from total of items 6a,b,c. column C, however, if the amount is negative, enter zero)
4.	RC-M	9	_____	Qualifying perpetual preferred stock & related surplus
5.	RC-G	3	_____	Qualifying minority interest in the equity accounts of consolidated subsidiaries (exclude nonqualifying portions)
6.		Line 1, plus line 2 minus line 3, plus lines 4 and 5	_____	"Gross" Tier 1 Capital

Adjustments to Tier 1 Capital:

7.	RC-M	6.b.(2)	_____	LESS: All other identifiable intangible assets
8.	RC-M	6.c.	_____	LESS: Goodwill
9.	RC-M	6.e.	_____	PLUS: Intangible assets that have been grandfathered for regulatory capital purposes
10.		Line 6 minus lines 7 and 8 plus line 9	_____	"Adjusted Gross" Tier 1 Capital
11.		25% of line 10	_____	Limitation on the amount of purchased credit card relationships (PCCRs) that may be held as an asset
12.		50% of line 10	_____	Limitation on the total amount of mortgage servicing rights (MSRs) and PCCRs that can be held as assets
13.	RC-M	6.b.(1)	_____	Intangible assets: PCCRs (If 90% of the fair value of PCCRs is less than RC-M, item 6.b.(1), enter 90% of the fair value on line 13 and add the difference to line 14)
14.		Line 13 minus line 11	_____	Disallowed PCCRs: If line 13 minus line 11 is a negative number, enter 0; otherwise, enter the difference
15.	RC-M	6.a.	_____	Intangible assets: MSRs (If 90% of the fair value of MSRs is less than RC-M, item 6.a, enter 90% of the fair value on line 15 and add the difference to line 17)

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16.	<i>Line 15 plus the lesser of line 11 or line 13</i>	_____	MSRs plus the qualifying portion of PCCRs
17.	<i>Line 16 minus 12</i>	_____	Disallowed MSR and PCCR based on an aggregate limitation (If line 16 minus line 12 is a negative number, enter 0; otherwise, enter the difference)
18.	RC-F Memo #1	_____	Disallowed deferred tax assets
19.	<i>Sum of lines 14, 17 and 18</i>	_____	Total disallowed MSR, PCCR and deferred tax assets ¹
20.	<i>Line 10 minus line 19</i>	_____	Tier 1 Capital (report in Schedule RC-R, item 3.a)

CALCULATION OF ELIGIBLE TIER 2 CAPITAL

Term Subordinated Debt and Intermediate-Term Preferred Stock and Related Surplus Subject to a Limit of 50% of Tier 1 Capital:

21.	100% of RC-R 2.f.(col A)	_____	Over 5 years remaining maturity
22.	80% of RC-R 2.e.(col A)	_____	Over 4 years remaining maturity, but less than 5 years
23.	60% of RC-R 2.d.(col A)	_____	Over 3 years remaining maturity, but less than 4 years
24.	40% of RC-R 2.c.(col A)	_____	Over 2 years remaining maturity, but less than 3 years
25.	20% of RC-R 2.b.(col A)	_____	Over 1 year remaining maturity, but less than 2 years
26.	<i>Sum of lines 21 to 25</i>	_____	"Amortized" amounts of qualifying term subordinated debt and intermediate-term preferred stock and related surplus
27.	<i>50% of line 20</i>	_____	Limitation on amount allowed in Tier 2 capital
28.	<i>Lesser of line 26 or 27</i>	_____	Qualifying amount allowed in Tier 2 capital

Other Limited Life Capital Instruments Such as Long Term Preferred Stock:

29.	100% of RC-R 2.f.(col B)	_____	Over 5 years remaining maturity
30.	80% of RC-R 2.e.(col B)	_____	Over 4 years remaining maturity, but less than 5 years
31.	60% of RC-R 2.d.(col B)	_____	Over 3 years remaining maturity, but less than 4 years
32.	40% of RC-R 2.c.(col B)	_____	Over 2 years remaining maturity, but less than 3 years
33.	20% of RC-R 2.b.(col B)	_____	Over 1 year remaining maturity, but less than 2 years
34.	<i>Sum of lines 29 to 33</i>	_____	"Amortized" amounts of other limited life capital instruments

Other Tier 2 Components:

35.	RC 23 minus RC-M 9	_____	Cumulative perpetual preferred stock
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¹ Banks should add to this line the amount of any other assets that must be deducted when determining Tier 1 capital in accordance with the requirements of their primary federal supervisory authority.

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36.	RC-M	7	_____	Mandatory convertible debt, net of common or perpetual preferred stock dedicated to redeem the debt
37.	<i>Sum of lines 28, 34, 35 and 36</i>		_____	Tier 2 capital components BEFORE the addition of qualifying ALLL²

Calculation of Risk-Weighted Assets:

38.	<i>“Gross” risk-weighted assets from Worksheet Part 2, Row 29, or bank’s own calculation</i>		_____	<i>“Gross” Risk-Weighted Assets</i> excluding assets deducted for capital purposes, but before deduction of any disqualified allowance for loan and lease losses and any allocated transfer risk reserve.
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Constraint on Allowance for Loan and Lease Losses (ALLL):

39.	<i>1.25% of line 38</i>		_____	Maximum amount of ALLL permitted in Tier 2 capital
40.	RC	4.b.	_____	Allowance for Loan and Lease Losses (ALLL)
41.	<i>Enter the lesser of line 39 or 40</i>		_____	Amount of the ALLL allowed in Tier 2 capital
42.	<i>Subtract line 41 from 40 3.d)</i>		_____	Excess (disqualified) ALLL (report in Schedule RC-R, item 3.d))
43.	<i>Add lines 37 and 41</i>		_____	Eligible Tier 2 capital
44.	<i>Enter the lesser of lines 20 or 43</i>		_____	Tier 2 Capital (report in Schedule RC-R, item 3.b)
45.	RC-R	Memo 1.a and from bank records	_____	Reciprocal holdings of bank capital instruments plus investments, both equity and debt, in unconsolidated banking and finance subsidiaries that are deemed to be capital of the subsidiary, plus any other assets that must be deducted when determining total risk-based capital in accordance with the requirements of the bank’s primary federal supervisory authority.
46.	<i>Line 20 plus line 44 minus line 45</i>		_____	Total Risk-Based Capital (report in Schedule RC-R, item 3.c)

² Banks that file FFIEC 034 may add the amount shown on RC item 28.b. to this sum -- losses deferred pursuant to 12 U.S.C. 1823(j).

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CALCULATION OF RISK-BASED CAPITAL (RBC) RATIOS			
47	RC 4.c.	_____	Allocated Transfer Risk Reserve (ATRR)
48	<i>Line 38 minus the sum of lines 42 and 47</i>	_____	Risk-Weighted Assets (after deduction of all disallowed intangibles, disallowed deferred tax assets, the excess ALLL, and ATRR) [report in Schedule RC-R, item 3.e]
49.	<i>Divide line 46 by line 48 and multiply by 100</i>	_____ %	Total RBC Ratio
50.	<i>Divide line 20 by line 48 and multiply by 100</i>	_____ %	Tier 1 RBC Ratio