### Optional Regulatory Capital Worksheet

#### Worksheet Part 1.

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Item #</th>
<th>Amount</th>
<th>Item Name/Comments</th>
</tr>
</thead>
</table>

#### Calculation of Eligible Tier 1 Capital

**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 6 col. C minus**
   - Unrealized loss on equity securities (subtract total of items 6.a and b, column D, from total of items 6.a and b, column C; **however, if the amount is negative, enter zero**)
4. **RC-M 9**
   - Qualifying perpetual preferred stock and 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 or are otherwise qualifying 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 assets (MSAs) 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: MSAs (If 90% of the fair value of MSAs, as reported in RC-M, item 6.a.(1), is less than RC-M, item 6.a, enter 90% of the fair value on line 15 and add the difference to line 17)
16. **Line 15 plus the lesser of line 11 or line 13**

   MSAs plus the qualifying portion of PCCRs

17. **Line 16 minus 12**

   **Disallowed MSAs and PCCRs 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. **Sum of lines 14, 17 and 18**

   Total disallowed MSAs, PCCRs and deferred tax assets

20. **Line 10 minus line 19**

   **Tier 1 Capital** *(report in Schedule RC-R, item 3.a.(1))*

**CALCULATION OF ELIGIBLE TIER 2 CAPITAL**

**Components of Tier 2 Capital:**

21. RC-R 2.a

   Portion of qualifying subordinated debt and intermediate-term preferred stock and related surplus that is includible in Tier 2 capital

22. RC-R 2.b

   Portion of other qualifying limited-life capital instruments that is includible in Tier 2 capital

23. RC 23 minus

   Cumulative perpetual preferred stock

   RC-M 9

24. RC-M 7

   Mandatory convertible debt, net of common or perpetual preferred stock dedicated to redeem the debt

25. **Sum of lines 21, 22, 23 and 24**

   Tier 2 capital components BEFORE the addition of qualifying allowance for loan and lease losses (ALLL)

**Calculation of Risk-Weighted Assets:**

26. **“Gross” risk-weighted assets from Worksheet Part 2, Row 28** *(for from bank’s own calculation of “gross” risk-weighted assets excluding assets deducted for capital purposes, but before deducting any excess (disqualified) ALLL and any allocated transfer risk reserve)*

   **“Gross” Risk-Weighted Assets** excluding assets deducted for capital purposes, but before deducting any excess (disqualified) allowance for loan and lease losses and any allocated transfer risk reserve.

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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.

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).
### CALCULATION OF RISK-BASED CAPITAL (RBC) RATIOS

<table>
<thead>
<tr>
<th>Step</th>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.</td>
<td>1.25% of line 26</td>
<td>Maximum amount of ALLL permitted in Tier 2 capital</td>
</tr>
<tr>
<td>28.</td>
<td>RC 4.b.</td>
<td>Allowance for loan and lease losses (ALLL) (If the bank also has an allowance for credit losses related to off-balance sheet credit exposures elsewhere on its balance sheet, add this amount to line 28.)</td>
</tr>
<tr>
<td>29.</td>
<td>Enter the lesser of lines 27 or 28</td>
<td>Amount of the ALLL allowed in Tier 2 capital</td>
</tr>
<tr>
<td>30.</td>
<td>Subtract line 29 from 28</td>
<td>Excess (disqualified) ALLL (report in Schedule RC-R, item 3.c)</td>
</tr>
<tr>
<td>31.</td>
<td>Add lines 25 and 29</td>
<td>Eligible Tier 2 capital</td>
</tr>
<tr>
<td>32.</td>
<td>Enter the lesser of lines 20 or 31</td>
<td>Tier 2 Capital (report in Schedule RC-R, item 3.a.(2))</td>
</tr>
<tr>
<td>33.</td>
<td>RC-M Memo 1</td>
<td>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.</td>
</tr>
<tr>
<td>34.</td>
<td>Line 20 plus line 32 minus line 33</td>
<td>Total Risk-Based Capital (report in Schedule RC-R, item 3.b)</td>
</tr>
</tbody>
</table>

### Total Risk-Based Capital

- **Total RBC Ratio**: Divide line 34 by line 36 and multiply by 100%
- **Tier 1 RBC Ratio**: Divide line 20 by line 36 and multiply by 100%