

OPTIONAL REGULATORY CAPITAL WORKSHEET

WORKSHEET PART 1.

Schedule Item #	Amount	Item Name/ <i>Comments</i>
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 RC-B 6 col. D	_____	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 & 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 ¹
20. Line 10 minus line 19	_____	Tier 1 Capital (report in Schedule RC-R, item 3.a)

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 9 RC-M	_____	Cumulative perpetual preferred stock
24. RC- 7 M	_____	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)²

Calculation of Risk-Weighted Assets:

26. "Gross" risk-weighted assets from Worksheet Part 2, Row 28 [or from 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 bank's own calculation risk reserve.
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Constraint on Allowance for Loan and Lease Losses (ALLL):

27. 1.25% of line 26	_____	Maximum amount of ALLL permitted in Tier 2 capital
28. RC 4.b.	_____	Allowance for Loan and Lease Losses (ALLL)
29. Enter the lesser of lines 27 or 28	_____	Amount of the ALLL allowed in Tier 2 capital
30. Subtract line 29 from 28	_____	Excess (disqualified) ALLL (report in Schedule RC-R, item 3.d)
31. Add lines 25 and 29	_____	Eligible Tier 2 capital
32. Enter the lesser of lines 20 or 31	_____	Tier 2 Capital (report in Schedule RC-R, item 3.b)

33. RC- Memo 1.a (from 12-31-96 _____ Reciprocal holdings of bank capital
M Call Report) and from instruments plus investments, both equity and
bank records 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.
34. **Line 20 plus line 32 minus line _____ Total Risk-Based Capital**
33 (report in Schedule RC-R, item 3.c)

CALCULATION OF RISK-BASED CAPITAL (RBC) RATIOS

35. RC 4.c. _____ Allocated Transfer Risk Reserve (ATTR)
36. **Line 26 minus the sum of lines _____ Risk-Weighted Assets (after deduction of all**
30 and 35 disallowed intangibles, disallowed deferred
tax assets, the excess ALLL, and
ATTR) [report in Schedule RC-R, item 3.e]
37. **Divide line 34 by line 36 and _____% Total RBC Ratio**
multiply by 100
38. **Divide line 20 by line 36 and _____% Tier 1 RBC Ratio**
multiply by 100

¹Banks 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.

²Banks 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).