

OPTIONAL REGULATORY CAPITAL WORKSHEET

WORKSHEET PART 1.

<u>Schedule</u>	<u>Item #</u>	<u>Amount</u>	<u>Item Name/Comments</u>
-----------------	---------------	---------------	---------------------------

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 RC-B	6 col. C minus 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; <i>however, if the amount is negative, enter zero</i>)
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.	<i>Line 1, plus line 2 minus line 3, plus lines 4 and 5</i>		_____	"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.	<i>Line 6 minus lines 7 and 8 plus line 9</i>		_____	"Adjusted Gross" Tier 1 Capital
11.	<i>25% of line 10</i>		_____	<i>Limitation on the amount of purchased credit card relationships (PCCRs) that may be held as an asset</i>
12.	<i>50% of line 10</i>		_____	<i>Limitation on the total amount of mortgage servicing assets (MSAs) and PCCRs that can be held as assets</i>
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.	<i>Line 13 minus line 11</i>		_____	Disallowed PCCRs: <i>If line 13 minus line 11 is a negative number, enter 0; otherwise, enter the difference</i>
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)

<u>Schedule</u>	<u>Item #</u>	<u>Amount</u>	<u>Item Name/Comments</u>
-----------------	---------------	---------------	---------------------------

16.	<i>Line 15 plus the lesser of line 11 or line 13</i>	_____	MSAs plus the qualifying portion of PCCRs
17.	<i>Line 16 minus 12</i>	_____	Disallowed MSAs and PCCRs based on an aggregate limitation <i>(If line 16 minus line 12 is a negative number, enter 0; otherwise, enter the difference)</i>
18.	RC-F Memo 1	_____	Disallowed deferred tax assets
19.	<i>Sum of lines 14, 17 and 18</i>	_____	Total disallowed MSAs, PCCRs and deferred tax assets ¹
20.	<i>Line 10 minus line 19</i>	_____	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 RC-M 9	_____	Cumulative perpetual preferred stock
24.	RC-M 7	_____	Mandatory convertible debt, net of common or perpetual preferred stock dedicated to redeem the debt
25.	<i>Sum of lines 21, 22, 23 and 24</i>	_____	Tier 2 capital components BEFORE the addition of qualifying allowance for loan and lease losses (ALLL)²

Calculation of Risk-Weighted Assets:

26.	<i>“Gross” risk-weighted assets from Worksheet Part 2, Row 28 [or 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]</i>	_____	<i>“Gross” Risk-Weighted Assets</i> excluding assets deducted for capital purposes, but before deducting any excess (disqualified) allowance for loan and lease losses and any allocated transfer risk reserve.
-----	--	-------	---

<u>Schedule</u>	<u>Item #</u>	<u>Amount</u>	<u>Item Name/Comments</u>
-----------------	---------------	---------------	---------------------------

Constraint on Allowance for Loan and Lease Losses (ALLL):

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).

27.	<i>1.25% of line 26</i>	_____	Maximum amount of ALLL permitted in Tier 2 capital
28.	RC 4.b.	_____	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.)
29.	<i>Enter the lesser of lines 27 or 28</i>	_____	Amount of the ALLL allowed in Tier 2 capital
30.	<i>Subtract line 29 from 28</i>	_____	Excess (disqualified) ALLL (report in Schedule RC-R, item 3.c)
31.	<i>Add lines 25 and 29</i>	_____	Eligible Tier 2 capital
32.	<i>Enter the lesser of lines 20 or 31</i>	_____	Tier 2 Capital (report in Schedule RC-R, item 3.a.(2))
33.	RC-M Memo 1 (from 12-31-97 Call Report) 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.
34.	<i>Line 20 plus line 32 minus line 33</i>	_____	Total Risk-Based Capital (report in Schedule RC-R, item 3.b)

CALCULATION OF RISK-BASED CAPITAL (RBC) RATIOS

35.	RC 4.c.	_____	Allocated Transfer Risk Reserve (ATRR)
36.	<i>Line 26 minus the sum of lines 30 and 35</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.d.(1)]
37.	<i>Divide line 34 by line 36 and multiply by 100</i>	_____ %	Total RBC Ratio
38.	<i>Divide line 20 by line 36 and multiply by 100</i>	_____ %	Tier 1 RBC Ratio