

Texas Ratio Calculation

Short Definition: Nonperforming Assets + Loans 90 days Past Due DIVIDED BY Tier 1 Capital + Loan Loss Reserve

By the Numbers: $[(1) + (2)] / [(3) + (4)] = \text{Texas Ratio}$

1. Nonperforming Assets. The sum of total nonaccrual loans; loans and leases restructured and in compliance with modified terms; total other real estate owned; and nonaccrual debt securities and other assets.

1. a. Total Nonaccrual Loans: Total amount of loans and leases that are nonaccrual status. Includes loans guaranteed by the U.S. Government, agency, or sponsored entity. **Call Report Line Item: RCONF176 + RCONF177 + RCON3495 + RCON5400 + RCONC229 + RCONC230 + RCON3501 + RCONF182 + RCONF183 + RCONB836 + RCON1608 + RCONB577 + RCONB580 + RCON5391 + RCON5461 + RCON1228)**

1. b. Restructured Loans: All loans and leases that have been restructured and are in compliance with their modified terms excluding all restructured loans to individuals for household, family, and other personal expenditures **(Call Report Line Item: RCONF576 + RCON1616)**

1. c. Nonaccrual Debt Securities & Other Assets: All assets other than loans and leases that are nonaccrual status. Includes debt securities and interest-bearing balances due from depository institutions. An asset is to be reported as being in nonaccrual status if: (1) it is maintained on a cash basis due to deterioration of the borrowers financial condition, (2) it is not expected that principal or interest will be paid in full, or (3) principal or interest has been in default for a period of 90 days or more unless the asset is both well secured and in the process of collection. **(Call Report Line Item: RCON3507)**

1. d. Other Real Estate Owned: The total amount of other real estate owned from RC_M. The book value, less accumulated depreciation, if any, of all real estate other than bank premises owned or controlled by the bank and its consolidated subsidiaries. Mortgages and other liens on such property are not deducted (they are reported in schedule RC, "Other Borrowed Money"). Amounts are reported net of any applicable valuation allowances. Any property necessary for conducting banking business is excluded (reported in schedule RC, "Premises and Fixed Assets"). **(Call Report Line Item: RCON2150)**

2. Loans 90 days Past Due.

Total amount of loans and leases that are 90 or more days past due, upon which the bank continues to accrue interest. Includes loans guaranteed by the U.S. Government, agency, or sponsored entity. (Call Report Line Item: RCONF174 + RCONF175 + RCON3494 + RCON5399 + RCONC237 + RCONC239 + RCON3500 + RCONF180 + RCONF181 + RCONB835 + RCON1607 + RCONB576 + RCONB579 + RCON5390 + RCON5460 + RCON1227)

3. Tier 1 Capital.

Total equity capital - Net unrealized gains on AFS Secs - Net unrealized loss on AFS Equity Secs - Accumulated net gains (losses) on cash flow hedges - Nonqualifying perpetual preferred stock + Qualifying minority interests in consolidated subsidiaries - Disallowed goodwill & other intangible assets - Disallowed servicing assets & purchased credit card relationships - Disallowed deferred tax assets + Other additions to (deductions from) Tier 1 capital (Call Report Line Item: RCON8274)

4. Loan Loss Reserve.

Allowance for loan and lease losses adequate to absorb estimated losses from loan and lease financing receivable portfolios, including all binding commitments to lend (accrued and unpaid interest). (Call Report Line Item: RCON3123)

TEXAS RATIO [(1) + (2)] / [(3) + (4)]

1. Nonperforming Assets (1a + 1b + 1c + 1d)

1a. Total Nonaccrual Loans

RCONF176	
RCONF177	
RCON3495	
RCON5400	
RCONC229	
RCONC230	
RCON3501	
RCONF182	
RCONF183	
RCONB836	
RCON1608	
RCONB577	
RCONB580	
RCON5391	
RCON5461	
RCON1228	
Total	

1b. Restructured Loans

RCONF576	
RCON1616	
Total	

1c. Nonaccrual Debt Securities & Other Assets

RCON3507	
Total	

1d. Other Real Estate Owned

RCON2150	
Total	

2. Loans 90 days Past Due

RCONF174	
RCONF175	
RCON3494	
RCON5399	
RCONC237	
RCONC239	
RCON3500	
RCONF180	
RCONF181	
RCONB835	
RCON1607	
RCONB576	
RCONB579	
RCON5390	
RCON5460	
RCON1227	
Total	

3. Tier 1 Capital

RCON8274	
Total	

4. Loan Loss Reserve

RCON3123	
Total	