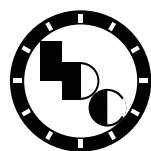# Components of Rank of Full Financial Ratios

Third Quarter 2024 Report

Sample Bank
City, ST

IDC Financial Publishing, Inc.

Bank
Components of Rank
with
Instructions
for Calculating Rank

BANK FINANCIAL QUARTERLY
Data Ending 3rd Quarter, 2024

DISTRIBUTIONS BY PERCENTILE

4,569 Banks

IDC Financial Publishing, Inc.
(800) 525-5457

Column headings:

#	Category	Description
1	RANK	RANK OF FINANCIAL RATIOS
2	SIZE	TOTAL ASSETS DOLLARS IN MILLIONS
3	CAPITAL RATIOS	TIER 1 CAPITAL AS A % TIER 1 ASSETS
4	CAPITAL RATIOS	TIER I & II CAPITAL % RISK-BASED ASSETS
5	CAPITAL RATIOS	RISK IN TIER 1 CAPITAL RATIO EXCLUDING AOCI OVER 5%
6	LOAN RISK % TIER I	LOAN LOSS RESERVE
7	LOAN RISK % TIER I	LOANS 90 DAYS OR MORE PAST DUE
8	LOAN RISK % TIER I	LOANS NONACCRUAL & RESTRUCTURED + REO
9	LIQUIDITY	BALANCE SHEET CASH FLOW % TIER I CAPITAL
10	LIQUIDITY	NET LOANS & LEASES % INS DEPS & AVL FHLB
11	LIQUIDITY	INT-BEARING LIAB AS A % OF EARNING ASSETS
12		RISK OF XS UNINSRD LIABS & UNRLIZD LOSSES ON SECS
13	ROE VS COE	COMMON STOCKHOLDER RETURN ON TANGIBLE EQUITY (1YR)
14	ROE VS COE	ESTIMATE OF COST OF EQUITY (1YR)
15	ROE VS COE	COMMON STOCKHOLDER NET OPERATING PROFIT AFTER-TAX RETURN ON TANGIBLE EQUITY (1YR)
16	ROE VS COE	(5YR)

Distribution by percentile (Plus / Contra Multiplier shown at left for each band):

Plus / Contra	Percentile	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	HIGHEST QUALITY	300	3,584,105	99.9	999.9	0.0	0	0	0	216	0	0	0	172.6	6.0	172.5	121.6
9 / 0	98%	300	22,747	40.2	119.9	0.0	0	0	0	41	25	15	0	25.7	6.5	23.9	22.4
	96%	300	8,435	22.8	48.1	0.0	1	0	0	33	35	47	0	21.1	6.7	20.2	19.5
	94%	300	5,281	19.5	36.6	0.0	2	0	0	29	39	53	0	19.1	6.8	18.2	17.7
	92%	300	3,513	17.6	31.3	0.0	3	0	0	26	42	56	0	17.5	6.9	17.0	16.7
	90%	291	2,734	16.5	28.5	0.0	3	0	0	24	45	58	0	16.6	7.0	15.8	15.9
8 / 1	88%	282	2,198	15.7	25.9	0.0	3	0	0	23	48	60	0	15.7	7.1	15.0	15.3
	86%	275	1,816	15.0	24.4	0.0	4	0	0	22	50	62	0	14.9	7.2	14.5	14.8
	84%	268	1,534	14.5	23.4	0.0	4	0	0	21	52	63	0	14.3	7.3	13.9	14.4
	82%	262	1,329	14.0	22.4	0.0	4	0	0	20	53	64	0	13.7	7.4	13.3	14.0
	80%	257	1,162	13.7	21.3	0.0	5	0	0	19	55	65	0	13.2	7.5	12.9	13.6
7 / 2	78%	251	1,034	13.4	20.6	0.0	5	0	0	18	56	66	0	12.8	7.6	12.4	13.3
	76%	246	936	13.0	20.0	0.0	5	0	0	17	57	66	0	12.4	7.7	12.1	13.0
	74%	241	856	12.8	19.4	0.0	5	0	0	16	58	67	0	12.1	7.8	11.8	12.7
	72%	238	784	12.6	19.0	0.0	5	0	0	15	59	68	0	11.8	7.9	11.5	12.4
	70%	233	702	12.3	18.6	0.0	6	0	0	15	60	69	0	11.4	8.0	11.2	12.2
6 / 3	68%	229	653	12.1	18.1	0.0	6	0	1	14	61	69	1	11.1	8.1	10.8	11.9
	66%	224	609	11.9	17.7	0.0	6	0	1	13	62	70	3	10.8	8.2	10.6	11.7
	64%	221	566	11.7	17.4	0.0	6	0	1	13	63	70	4	10.5	8.3	10.3	11.4
	62%	216	530	11.5	17.1	0.0	6	0	1	12	64	71	5	10.2	8.4	10.1	11.2
	60%	212	493	11.4	16.8	0.0	6	0	1	12	65	71	7	9.9	8.6	9.7	11.0
5 / 4	58%	209	459	11.3	16.5	0.0	7	0	1	11	66	72	8	9.6	8.7	9.5	10.8
	56%	205	424	11.1	16.2	0.0	7	0	1	10	66	72	10	9.3	8.8	9.2	10.6
	54%	202	397	11.0	16.0	0.0	7	0	1	10	67	73	11	9.0	9.0	8.9	10.3
	52%	200	371	10.8	15.7	0.0	7	0	1	9	68	73	13	8.7	9.1	8.6	10.1
	50%	197	351	10.7	15.5	0.0	7	0	2	8	69	74	14	8.4	9.3	8.3	9.8
4 / 5	48%	194	327	10.6	15.3	0.0	7	0	2	8	70	74	16	8.1	9.4	8.0	9.5
	46%	191	309	10.5	15.0	0.0	8	0	2	7	70	75	18	7.9	9.5	7.8	9.3
	44%	187	291	10.4	14.8	0.0	8	0	2	7	71	75	20	7.6	9.7	7.6	9.1
	42%	183	269	10.3	14.6	0.0	8	0	2	6	72	76	23	7.3	9.8	7.3	8.9
	40%	180	255	10.2	14.5	0.0	8	0	3	5	73	76	26	7.0	9.9	7.0	8.6
3 / 6	38%	177	240	10.1	14.4	0.0	8	0	3	4	74	77	28	6.7	10.1	6.7	8.4
	36%	174	222	10.0	14.2	0.0	8	0	3	4	75	77	31	6.5	10.2	6.5	8.1
	34%	171	206	9.8	14.0	0.0	9	0	3	3	75	77	36	6.2	10.4	6.2	7.9
	32%	168	191	9.7	13.9	0.0	9	0	4	2	76	78	39	5.9	10.5	5.9	7.6
	30%	164	180	9.6	13.8	0.0	9	0	4	1	77	78	45	5.5	10.7	5.6	7.3
2 / 7	28%	161	169	9.5	13.6	0.0	9	0	4	1	78	79	51	5.2	10.9	5.3	7.1
	26%	157	156	9.4	13.4	0.0	9	0	5	0	79	79	58	4.8	11.1	5.0	6.8
	24%	154	146	9.4	13.3	0.0	9	0	5	0	80	80	67	4.5	11.3	4.7	6.4
	22%	150	135	9.3	13.1	0.0	10	0	5	-2	81	80	78	4.2	11.5	4.3	6.2
	20%	147	125	9.2	12.9	0.0	10	0	6	-3	83	81	91	3.8	11.7	4.0	5.8
1 / 8	18%	142	113	9.1	12.8	0.0	10	1	6	-4	84	82	102	3.4	12.0	3.6	5.4
	16%	138	102	9.0	12.6	0.0	10	1	7	-5	85	82	113	2.9	12.2	3.1	5.1
	14%	134	93	8.9	12.4	0.0	11	1	8	-7	86	83	124	2.3	12.5	2.7	4.6
	12%	129	82	8.7	12.2	0.0	11	1	9	-9	88	84	138	1.8	12.8	2.0	4.2
	10%	124	73	8.6	12.0	0.0	11	2	10	-12	90	85	153	1.1	13.2	1.4	3.6
0 / 9	8%	118	63	8.5	11.8	0.0	12	2	11	-15	93	86	171	0.3	13.7	0.8	3.0
	6%	110	53	8.3	11.6	0.0	13	3	13	-20	96	87	196	-0.8	14.5	-0.3	2.2
	4%	99	42	8.0	11.4	0.0	14	4	16	-27	100	89	232	-2.9	15.6	-2.0	1.1
	2%	81	28	7.6	11.0	0.0	16	7	22	-45	107	91	283	-7.1	17.4	-5.8	-0.4
	LOWEST QUALITY	1	3	3.7	7.7	68.9	111	109	115	-999	999	999	13220	-149.1	67.2	-147.5	-94.5

Sample Bank worksheet:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Value	213	6,609	12.2	16.6	0.0	11	0	2	7	75	75	245	7.7	7.7	7.5	8.4
Quality Level Multiplier			9	5												
Weight		☆3	☆	☆1	☆	☆	NA	NA	☆	☆	☆	☆	NA	NA	☆	NA
Cap	☆	☆	+200	☆	-100	☆			-100	-25	☆	-100			+60	
Score		33.6	122.4	5.0	0	8.5			NC	NC	25.2	-12.7			NC	
Summation		33.6	156	161.0	161.0	170						195	182.0			

☆ Refer to Instructions for Calculating Your Rank

Sample Bank
City, ST

LOAN PERFORMANCE | **OPERATING PERFORMANCE % EARNING ASSETS** | **OP PROFIT MARGIN** | **PROFIT STRUCTURE** | **GROWTH**

	CURRENT YIELD ON INVESTMENTS	LOANS AS A % OF EARNING ASSETS	CURRENT YIELD ON LOANS	LOANS NONCURRENT & RESTRUCTURED + REO	% CHG NONCURRENT & RESTRUCTURED + REO	LOANS TO FINANCE COMMERCIAL RE % LOANS	INC IN LOAN LOSS RES & OTHER ADJ % EARNING ASSETS	NET INTEREST MARGIN		NONINTEREST INCOME		NONINTEREST EXPENSE		OPERATING PROFIT MARGIN	RISK (SD) IN OP PROFIT MARGIN	RETURN ON EARNING ASSETS (AFTER TAX)		COST OF ADJUSTED DEBT (AFTER TAX)		LEVERAGE SPREAD	LEVERAGE MULTIPLIER	RETURN ON FINANCIAL LEVERAGE	INTERNAL GROWTH OF TANGIBLE EQUITY CAPITAL	
	1YR		1YR				1YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	5YR	1YR	1YR	1YR	1YR	5YR
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
	12.6	99	53.4	0.0	-99.9	0.0	-1.76	111.35	23.42	999.99	999.99	-0.99	-0.99	354.5	0.1	97.85	99.90	0.00	-0.01	92.38	0.0	53.0	353.5	50.5
	5.6	92	9.4	0.0	-99.9	0.4	0.00	6.15	5.25	11.10	10.67	1.25	1.29	64.8	1.4	6.02	5.21	0.24	0.17	3.42	2.6	19.3	20.1	15.5
	5.4	90	8.6	0.0	-99.9	2.2	0.00	5.45	4.82	2.83	3.23	1.48	1.50	58.9	1.8	4.82	3.66	0.54	0.25	2.58	3.4	15.9	15.3	13.7
	5.3	89	8.2	0.0	-91.4	4.1	0.00	5.15	4.57	1.84	2.07	1.60	1.63	55.6	1.9	4.44	3.30	0.69	0.32	2.18	4.0	14.3	13.3	12.5
	5.1	88	7.9	0.0	-82.5	5.5	0.00	4.88	4.40	1.50	1.62	1.71	1.72	52.7	2.1	4.16	3.10	0.83	0.37	1.98	4.4	13.1	12.2	11.6
	5.0	87	7.7	0.0	-74.8	6.8	0.00	4.71	4.27	1.25	1.40	1.79	1.79	50.9	2.3	4.00	2.95	0.93	0.41	1.82	4.7	12.3	11.5	11.1
	4.8	86	7.5	0.0	-67.4	8.0	0.00	4.56	4.17	1.11	1.27	1.86	1.87	49.0	2.4	3.87	2.85	1.01	0.45	1.70	5.0	11.6	11.0	10.6
	4.7	85	7.4	0.0	-60.8	9.3	0.00	4.44	4.08	1.02	1.17	1.92	1.93	47.5	2.5	3.75	2.77	1.07	0.47	1.60	5.3	11.1	10.5	10.1
	4.6	84	7.3	0.0	-54.0	10.6	0.00	4.34	4.01	0.95	1.09	1.98	1.99	46.2	2.7	3.64	2.69	1.12	0.51	1.52	5.4	10.5	10.1	9.8
	4.5	83	7.2	0.0	-48.8	12.0	0.00	4.23	3.95	0.90	1.02	2.02	2.05	45.4	2.8	3.54	2.62	1.19	0.53	1.45	5.6	10.1	9.6	9.5
	4.4	82	7.1	0.0	-42.3	13.4	0.00	4.15	3.89	0.84	0.96	2.06	2.09	44.3	2.9	3.45	2.56	1.24	0.56	1.39	5.8	9.7	9.3	9.1
	4.3	82	7.0	0.1	-36.8	14.6	0.00	4.07	3.84	0.80	0.92	2.11	2.13	43.2	3.0	3.37	2.50	1.29	0.58	1.33	5.9	9.4	9.0	8.9
	4.2	81	7.0	0.1	-32.2	15.8	0.00	3.99	3.79	0.76	0.87	2.16	2.17	42.3	3.1	3.31	2.45	1.34	0.61	1.27	6.1	9.0	8.6	8.6
	4.1	80	6.9	0.1	-27.6	17.1	0.00	3.92	3.75	0.73	0.83	2.19	2.21	41.3	3.2	3.25	2.39	1.39	0.63	1.23	6.2	8.7	8.3	8.4
	4.0	79	6.8	0.1	-24.5	18.3	0.00	3.87	3.71	0.70	0.79	2.23	2.25	40.5	3.3	3.19	2.35	1.44	0.65	1.18	6.3	8.4	8.0	8.2
	3.9	78	6.8	0.1	-21.7	19.8	0.01	3.82	3.68	0.68	0.76	2.26	2.29	39.5	3.4	3.13	2.29	1.48	0.68	1.14	6.5	8.2	7.8	8.0
	3.8	78	6.7	0.2	-17.7	21.0	0.01	3.76	3.64	0.65	0.73	2.30	2.32	38.7	3.5	3.08	2.25	1.52	0.70	1.09	6.6	7.9	7.5	7.8
	3.8	77	6.6	0.2	-14.6	22.2	0.01	3.70	3.60	0.62	0.71	2.34	2.36	37.9	3.6	3.03	2.20	1.55	0.72	1.05	6.7	7.6	7.3	7.5
	3.7	76	6.6	0.2	-11.6	23.5	0.02	3.65	3.56	0.60	0.69	2.37	2.40	37.1	3.7	2.98	2.16	1.59	0.74	1.02	6.8	7.4	7.0	7.3
	3.6	75	6.5	0.2	-8.7	25.0	0.02	3.61	3.53	0.58	0.66	2.40	2.43	36.5	3.9	2.93	2.12	1.63	0.76	0.98	6.9	7.1	6.7	7.1
	3.6	75	6.5	0.3	-5.7	26.4	0.02	3.56	3.50	0.56	0.63	2.44	2.46	35.6	4.0	2.88	2.09	1.67	0.78	0.95	7.0	6.9	6.4	6.9
	3.5	74	6.4	0.3	-3.2	27.6	0.02	3.51	3.46	0.54	0.61	2.48	2.50	34.8	4.1	2.83	2.06	1.71	0.80	0.91	7.1	6.7	6.3	6.8
	3.4	73	6.4	0.3	-0.6	28.9	0.03	3.46	3.43	0.52	0.59	2.52	2.53	34.1	4.3	2.79	2.03	1.74	0.81	0.88	7.2	6.4	6.1	6.6
	3.4	72	6.3	0.3	1.6	30.5	0.03	3.42	3.40	0.50	0.57	2.55	2.56	33.3	4.4	2.74	1.99	1.77	0.83	0.85	7.3	6.2	5.8	6.4
	3.3	71	6.3	0.4	5.5	31.6	0.03	3.38	3.37	0.48	0.55	2.58	2.59	32.6	4.5	2.70	1.96	1.80	0.85	0.81	7.4	5.9	5.6	6.2
	3.3	70	6.2	0.4	8.8	33.0	0.03	3.34	3.34	0.46	0.53	2.62	2.62	31.9	4.7	2.65	1.93	1.84	0.87	0.78	7.5	5.7	5.4	6.0
	3.2	70	6.2	0.4	14.7	34.4	0.04	3.31	3.31	0.44	0.51	2.65	2.65	31.3	4.8	2.61	1.90	1.87	0.89	0.75	7.6	5.4	5.1	5.8
	3.2	69	6.2	0.4	19.0	35.4	0.04	3.27	3.28	0.43	0.49	2.68	2.69	30.4	4.9	2.56	1.87	1.91	0.91	0.72	7.6	5.2	4.9	5.6
	3.1	68	6.1	0.5	23.2	36.7	0.04	3.22	3.25	0.41	0.47	2.72	2.73	29.6	5.1	2.52	1.83	1.94	0.93	0.68	7.7	5.0	4.6	5.4
	3.1	67	6.1	0.5	27.4	37.8	0.05	3.18	3.22	0.39	0.46	2.76	2.76	28.8	5.3	2.47	1.80	1.98	0.95	0.65	7.8	4.7	4.4	5.2
	3.0	66	6.0	0.6	32.7	39.0	0.05	3.14	3.19	0.38	0.44	2.80	2.80	28.1	5.4	2.43	1.77	2.02	0.97	0.63	7.9	4.5	4.2	5.0
	2.9	65	6.0	0.6	37.7	40.2	0.06	3.09	3.17	0.36	0.42	2.83	2.84	27.2	5.6	2.38	1.74	2.05	0.99	0.60	8.0	4.2	4.0	4.8
	2.9	64	5.9	0.6	42.4	41.4	0.06	3.05	3.13	0.35	0.40	2.87	2.87	26.5	5.8	2.33	1.71	2.09	1.01	0.57	8.1	4.0	3.7	4.6
	2.8	63	5.9	0.7	49.6	42.8	0.06	3.00	3.11	0.33	0.39	2.92	2.92	25.6	6.0	2.29	1.68	2.13	1.03	0.53	8.2	3.7	3.5	4.4
	2.8	62	5.9	0.7	56.9	44.0	0.07	2.96	3.07	0.32	0.37	2.96	2.96	24.5	6.2	2.24	1.63	2.17	1.06	0.50	8.2	3.5	3.2	4.2
	2.8	61	5.8	0.8	67.0	45.5	0.07	2.92	3.04	0.30	0.35	3.01	2.99	23.6	6.4	2.21	1.59	2.21	1.08	0.46	8.3	3.2	3.0	4.0
	2.7	59	5.8	0.9	76.5	46.9	0.08	2.87	3.01	0.29	0.34	3.06	3.03	22.8	6.6	2.16	1.55	2.27	1.11	0.42	8.4	2.9	2.7	3.7
	2.7	58	5.7	0.9	88.7	48.4	0.08	2.82	2.97	0.27	0.32	3.12	3.06	21.6	6.9	2.10	1.52	2.31	1.14	0.39	8.5	2.6	2.4	3.5
	2.6	56	5.7	1.0	104.0	49.7	0.09	2.76	2.94	0.26	0.30	3.18	3.13	20.5	7.2	2.04	1.47	2.35	1.18	0.34	8.6	2.4	2.1	3.2
	2.6	55	5.6	1.1	120.9	50.9	0.10	2.72	2.89	0.24	0.29	3.24	3.19	19.1	7.5	1.98	1.44	2.41	1.21	0.29	8.7	2.1	1.8	2.9
	2.5	53	5.6	1.2	141.8	52.6	0.10	2.65	2.85	0.23	0.27	3.32	3.25	18.0	7.8	1.92	1.39	2.46	1.25	0.25	8.8	1.7	1.5	2.6
	2.4	51	5.5	1.3	166.8	54.1	0.11	2.59	2.80	0.21	0.26	3.41	3.35	16.7	8.1	1.87	1.35	2.54	1.29	0.21	8.9	1.4	1.2	2.3
	2.4	49	5.4	1.4	194.7	55.8	0.12	2.54	2.75	0.20	0.24	3.51	3.45	14.9	8.6	1.80	1.30	2.62	1.33	0.15	9.0	1.0	0.8	2.0
	2.3	47	5.4	1.6	240.7	57.6	0.13	2.47	2.70	0.18	0.22	3.63	3.54	13.1	9.1	1.74	1.24	2.69	1.38	0.09	9.2	0.6	0.3	1.5
	2.3	44	5.3	1.7	301.5	59.7	0.15	2.40	2.65	0.17	0.20	3.79	3.67	10.9	9.6	1.66	1.19	2.78	1.42	0.02	9.3	0.1	-0.2	1.0
	2.2	41	5.2	1.9	363.0	61.8	0.17	2.33	2.57	0.15	0.18	4.02	3.82	8.4	10.4	1.56	1.12	2.86	1.49	-0.07	9.5	-0.4	-0.9	0.5
	2.1	38	5.0	2.1	489.6	64.3	0.20	2.22	2.48	0.13	0.16	4.33	4.07	5.1	11.4	1.44	1.04	2.96	1.57	-0.18	9.7	-1.0	-2.1	0.0
	2.0	33	4.9	2.5	711.0	68.1	0.24	2.10	2.37	0.11	0.14	4.92	4.54	1.2	12.9	1.32	0.94	3.10	1.64	-0.32	9.9	-1.9	-3.5	0.0
	1.9	25	4.7	3.1	999.9	73.4	0.31	1.92	2.19	0.08	0.11	6.09	5.51	-5.8	15.3	1.12	0.81	3.28	1.78	-0.57	10.2	-3.3	-5.9	0.0
	1.7	0	4.4	4.3	999.9	80.1	0.47	1.61	1.95	0.04	0.07	15.12	11.50	-25.6	19.7	0.68	0.57	3.59	1.99	-1.09	11.0	-6.3	-11.7	-1.7
	0.0	0	0.0	23.4	999.9	100.0	5.81	-1.01	-0.55	-0.99	-0.99	999.99	99.99	-911.6	99.9	-48.76	-11.84	99.99	99.99	-48.76	17.4	-91.0	-279.8	-76.0

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
3.6	79	6.0	0.4	10.7	45.7	0.08	3.35	3.23	1.13	1.53	3.11	3.21	30.7	6.7	2.84	1.87	2.03	0.77	0.81	5.8	4.7	3.1	4.6
6		3					8		7				5		6							3	
1	NA	1	NA	☆	☆	NA	NA	NA	2	NA	-2	NA	☆	☆	3	NA	-1	NA	☆	NA	NA	2	NA
				-20	-25				☆				+/-15	-25					☆				
6.0		3.0		NC	NC				16.0		-14.0		-4.3	-6.7	15.0		-6.0		16.2			6.0	
188.0		191.0					207.0				193.0		188.7	182.0	197.0		191.0		207.1			213.1	

☆ Refer to Instructions for Calculating Your Rank

Sample Bank
City, ST

Instructions for Calculating a Rank of a Bank

There are four steps to follow when calculating a rank:

1) In the lower boxes on the following pages, fill-in the calculated value for each ratio (Columns 2 through 40) for the bank or bank holding company you are ranking in the row titled "value". **2)** Find the location of the ratio in the column above the chart and select the proper multiplier from the left-hand scale where noted. As an example, a bank with $250 million in assets (or a bank holding company with $6.5 billion in assets) (Column 2) uses a level 4 plus multiplier. Write the multipliers in the quality level row of boxes for each calculation. **3)** Multiply the weight times the quality level multiplier to determine column score. **4)** Add together each column score to derive the rank. *Note: If an institution's value being used to calculate the score does not meet the criteria in the instructions, a score is not calculated and you should proceed to the next column.*

If the Tier I Capital Ratio (Column 3) is greater than 40% after adjusting for 90 day loan delinquencies, nonaccrual loans, restructured loans, and other real estate owned in excess of the loan loss reserve, the rank is set to 300.

If the rank is less than 200 and the Tier I Capital Ratio (Column 3) is greater than 20%, after adjusting for 90 day loan delinquencies, nonaccrual loans, restructured loans, and other real estate owned in excess of the loan loss reserve, the rank is set to 200.

If the rank is greater than 74, and the reported Tier I Capital Ratio is less than 8% and Tier II Capital Ratio is less than 12%, and the Adjusted Tier I Capital Ratio (Column 3) is less than 4%, after adjusting for 90 day loan delinquencies, nonaccrual loans, restructured loans, and other real estate owned in excess of the loan loss reserve, the rank is set to 74.

Rank Caps Based on Capital Categories (Cols 3-5): IDC caps rankings under the following conditions:

Category	Tier 1 Leverage (Column 3)		Total RB Cap'l (Col. 4)		Tier 1 RB Cap'l (Col. 5)	Rank Cap
Well Capitalized	≥ 5.0%	&	≥ 10%	&	≥ 8%	None
Adequately Capitalized*	≥ 4.0%	&	≥ 8%	&	≥ 6%	124
Under Capitalized	< 4.0%	or	< 8%	or	< 6%	74
Significantly Under Capitalized	< 3.0%	or	< 6%	or	< 4%	2
Critically Under Capitalized	≤ 2.0%					1

Consent Orders Alter Capital Requirements

> ***Rank is capped at 74 for banks "Adequately Capitalized"** if the standard deviation of operating profit margin (Column 31) is greater than 10.

Community Bank Leverage Ratio (CBLR) - A qualifying community bank organization must report a Tier I leverage capital ratio, but not risk-based capital ratios beginning in 2022.
Staring on January 1, 2022, a qualifying community banking organization must have a leverage ratio of 8% or more to qualify for the two-quarter grace period. At the end of the grace period, the banking organization must meet all the qualifying criteria to remain in the community bank leverage ratio framework, including less than $10 billion in total consolidated assets and a leverage ratio requirement of 9% or greater.

Column 2 - Total Assets
Column 2 has a weight of 3 and uses the plus multiplier. An additional point is added to the score for each $1 billion in assets, up to a maximum of 30 points. Holding companies score an additional 10 points for their relative starting size and access to financial markets.

Column 3 - Tier I Capital as % of Assets
Column 3 is multiplied by 10 with the score capped at +150. The multipliers are not used.
In addition, if Column 3 > 15%, add one point for each percent of difference (up to a total of 50 points) to the column score (e.g. if Column 3 = 28%, add 13 points). The column score is capped at 200 (150 +50).

Column 4 - Tier I & II Capital as % of Risk-based Assets (Risk-based Capital)
If Column 4 is less than 8%, the score equals 20 times the value of the difference [(Column 4 - 8%) × 20].
The column score is capped at -40. If Column 4 is 8% or more, the column weight is 1 and uses the plus multiplier.
Banks that are exempt from reporting Risk-based Assets are indicated with an NC and this column is not included in the rank calculation.

Column 5 - Risk of AOCI Additon to Tier I Capital. If Tier I Capital before the addition of AOCI as a percent of Tier I assets is less than 5%, the difference is multiplied by 10 as a rank reduction.
Note: 5) Used to illustrate the risk of AOCI.

Columns 6, 7, & 8 - Loan Risk as a % of Tier I Capital
Compare the Loan Loss Reserve (Column 6) to Delinquencies (Columns 7 & 8) to compute the column score:
1) If Column 6 is greater than total delinquencies, the column score equals [Col. 6 - (Col. 7 + Col 8)]. Cap at +30: **OR**
2) If Column 6 is less than <u>half</u> of delinquencies, the column score equals [Col. 6 - 1/2 (Col. 7 + Col 8)]. Cap at -150: **OR**
3) If Column 6 is less than total delinquencies <u>but</u> greater than half of delinquencies the column score is equal to 0.

Column 9 - Balance Sheet Cash Flow % Tier I Capital
To qualify for rank reduction in Balance Sheet Cash Flow (BSCF)
Column 4 is less than 14%
Column 3 is less than 9% **and**
If bank reports as CBLR, Column 3 is less than 13% and 4 is not calculated then if
1) Column 9 is negative, **and**
2) Column 20 is greater than 4%, **and**
3) [(Column 20 × Column 18) ÷ 100] is greater than 3%, and
If rank above reduction (1-3) is zero, then
4) If balance sheet cash flow (BSCF) is negative for 4 or more continuous quarters, then
5) Reduce the rank by the negative value of BSCF calculated over the last year, with 4 quarters of negative BSCF capped at -50 and 5 or more quarters capped at -100.

Column 10 - Net loans and Leases % Insured Deposits Plus Available FHLB Advances
If Column 10 is greater than 125, subtract Column 10 from 125, multiply the difference by Column 18, then divide by 100. The column score is capped at -25. The multipliers are not used.

Column 11 - Interest-Bearing Liabilities as % of Earning Assets
The value of Column 11 is subtracted from 100.
1) A positive result is entered as the column score and capped at +30: **OR**
2) A negative result is multiplied by 10 and compared to the value in Column 9. Enter the negative number closest to
   zero as the column score for Column 11. The negative column score is capped at -100: **OR**
3) Column 20 is greater than 4%, **and**
4) [(Column 20 × Column 18) ÷ 100] is greater than 3%, **and**
5) If a negative result and the value in Column 9 is positive, enter 0 for the column score.

Column 12
1) If uninsured liabilities greater than market value of assets readily available for liquidation and
2) The unrealized loss on securities held to maturity as a percentage of tangible common equity capital is greater than zero, then
3) Multiply the product of 1 and 2, as the rank reduction
Note: 12) Used to illustrate the amount of rank reduction due to risk of unrealized losses on securities held to maturity is displayed in Col 12 in component of rank report.

Columns 14 & 15 - Return on Tangible Equity (Last 12 Months) vs. Cost of Equity
Compute risk-adjusted capital according to COE definition in the Glossary.
   All of the following must be true to calculate a score; otherwise skip to column 17:
   1) Column 3 is greater than 3%, **and**
   2) Column 13 is greater than Column 14, **and**
   3) Column 15 is greater than Column 14.
• Step 1 —   Calculate the surplus/deficit of the loan loss reserve (LLR) vs. delinquencies.
               Col. 6 - [Col. 7 + Col. 8] = Surplus/Deficit. **If surplus, proceed to Step 4.**
• Step 2 —   Multiply Tier I Capital (Column 3) by the result of Step 1 (stated as a percent).
               Col. 3 × Deficit divided by 100 = Adjustment
• Step 3 —   <u>Reduce</u> Tier I Capital by the Adjustment to compute risk-adjusted capital.
               Col. 3 + (- Adjustment) = Risk-adjusted Capital.
               If this risk-adjusted capital is greater than 2%, proceed to Step 4.
• Step 4 —   Multiply the difference (NOPAT ROE minus COE) by 5. Cap at +60. The multipliers are not used. (E.g. If NOPAT ROE = 17.5 and
               COE = 12.6; then the score equals 24.5.)

Column 17 - Current Yield on Investments
Column 17 has a weight of 1 and uses the plus multiplier.

Column 19 - Current Yield on Loans
Column 19 has a weight of 1 and uses the plus multiplier.

Column 21 - Percent Change in 90 days past due, nonaccrual loans, restructured loans, and other real estate owned % total loans
If Column 21 is positive and Column 20 is greater than 2%, then divide Column 21 by 10. Enter the result as a negative value in the column score. The column score is capped at -20.

Column 22 - Loans to Finance Commercial Real Estate as a % of Loans
If Column 22 is greater than 50%, take the value greater than 50 and multiply it by Column 18, then divide by 100. Enter the negative value of the result in the column score. (E.g. If the result = 23.4, the score becomes -23.4.) The column score is capped at -25.

Column 26 - Noninterest Income (Last 12 Months)
Column 26 has a weight of 2 and uses the plus multiplier.

Column 28 - Noninterest Expense (Last 12 Months)
Column 28 has a weight of -2 and uses the contra multiplier.

Column 30 - Operating Profit Margin (Last 12 Months)
Subtract 35 from value in Column 30 and enter the result in the column score. The column score is capped at ±15.

Column 31 - Risk (SD) in Operating Profit Margin
The negative value of Column 31 is entered in the column score. The column score is capped at -25. (E.g. If Column 31 = 1.9, the column score becomes -1.9.)

Column 32 - Return on Earning Assets (Last 12 Months)
Column 32 has a weight of 3 and uses the plus multiplier.

Column 34 - Cost of Adjusted Debt (Last 12 Months)
Column 34 has a weight of -1 and uses the contra multiplier.

Column 36 - Leverage Spread (Last 12 Months)
Column 36 is multiplied by 20, with the column score capped at +40. The multipliers are not used.

Column 39 - Internal Growth in Equity Capital (Last 1 Year or for Period Measured)
Column 39 has a weight of 2 and uses the plus multiplier.