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US Banks with Highest Texas Ratios in Q3 2022

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Troutman Pepper attorneys James Stevens, Shelli Willis, and Brenna Sheffield are quoted in the *S&P Global Market Intelligence* article, "US Banks with Highest Texas Ratios in Q3." The article references their advisory titled, "AOCI Losses: What the Big Hit to Banks' Bond Portfolios Means Going Forward."

Changes in the values of available-for-sale portfolios are captured in AOCI, but AOCI losses are not an immediate regulatory issue given that regulatory capital rules allow most banks to add the book value losses to regulatory capital, Troutman Pepper attorneys wrote on the company's website.

However, "banks will need to remain watchful for potential regulatory issues related to AOCI losses," they added. "At some point these AOCI losses may become a regulatory issue if the unrealized losses have a negative impact on a bank's earnings rating or if the portfolio needs to be accessed for liquidity purposes and the unrealized losses have to be realized."

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