Capital ANALYSIS

NET INCOME TO MAINTAIN Capital/ASSET RATIO:

(change %'s to decimals to multiply)

1. Compute current Capital ratio. (Reserve + other reserve + Undivided Earnings(gain   and loss) divided by total assets).

_____ % = _____(decimal)

2. List anticipated asset growth rate (%).

_____ % = _____(decimal)

3. #1 times #2 equals the ratio of net income necessary to maintain the current ratio.

_____ % = _____(decimal)

4. #3 times current assets equals the dollar amount of net income necessary for the current period to maintain the current ratio.

$ _____

NET INCOME TO IMPROVE CAPITAL/ASSET RATIO:

5. List the ratio you wish to achieve.

_____ %

6. List the number of years you wish to allow for achieving the ratio listed in #5.

_____

7. Subtract the current ratio (#1) from the target ratio (#5) and divided by #6.

_____ %

8. Add #3 and #7. This is your net income requirement as a percent of assets.

_____ % = _____(decimal)

9. #8 times current assets equals the dollar amount of net income for the current year necessary to achieve the desired capital ratio (#5) in the specified period of time (#6).

$ _____