

Security.  
Reliability.  
Service.

# HOW SAFE IS YOUR BANK?

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Our solid reputation and safe banking practices have withstood the test of time, allowing us to offer perhaps the best value in the industry: *peace of mind*.

People are more concerned then ever about the health of the banking industry and the safety of their bank.

Below is a list of ratios that are commonly mentioned when this topic is discussed. We have listed Mauch Chunk Trust's ratios as of March 31, 2010, along with the average ratios for banks like Mauch Chunk Trust and the ratios required by the regulators if applicable:

	<u>MCT</u>	<u>Peer*</u>	<u>Required**</u>
Tier 1 Capital to Assets	9.21%	9.16%	5%
Total Capital to Risk Weighted Assets	14.49%	12.92%	10%
Problem Assets to Capital and Reserve	5.55%	34.96%	NA
Loan Loss Allowance to Total Loans	2.06%	1.79%	NA
Non-Current Loans to Loans	1.23%	3.24%	NA

\* Peer are banks with assets between \$100 million and \$500 million

\*\* The percentage required is to be considered Well Capitalized.

## Definition of Ratios

### Tier 1 Capital to Assets

Total Equity Capital adjusted for unrealized gain/loss on security portfolio divided by total assets.

### Total Capital to Risk Weighted Assets

Total Equity Capital divided by Risk Weighted Assets.

### Problem Assets to Capital and Reserve

The sum of loans which are on non-accrual, over 90 days past due and other real estate owned divided by the sum of total equity capital plus the allowance for possible loan and lease losses.

### Loan Loss Allowance to Total Loans

Ending balance of the allowance for possible loan and lease losses divided by total loans.

### Non-Current Loans to Loans

The sum of loans past due at least 90 days, plus those in non-accrual status, divided by gross loans.

Note:

The source of this information is Mauch Chunk Trust's Uniform Bank Performance Report. The complete report may be visited at the Federal Financial Institution Examiners Council (FFIEC) web site, [www.ffiec.gov](http://www.ffiec.gov)

At Mauch Chunk Trust Company, we have a wide range of financial solutions for you and your business. Please call any of our branch offices and find out more about our services.

