Instructions for NCUA Forms 6311 and 6312: These probable asset/share ratio computations are required for a complete merger package (not applicable to corporate credit unions).

Probable Asset/Share Ratio Computation Instructions

The Probable Asset/Share Ratio (PAS) reflects the relative worth of $1 of shares in the credit union, assuming it will be an on-going concern. The ratio is computed by dividing the net value of assets by the credit union's total shares.

ADDITIONS:

Cash is valued at book less any known potential losses.

Loans are valued at book net of probable estimated loan losses (ALLL).

Investments are valued at book value less any known losses. However, if a long-term investment is likely to be liquidated prior to maturity, it is valued at current market value.

Fixed Assets are valued at book, except when major fixed assets are not in use or are in the process of being sold. In these instances, the asset is valued at its probable market value.

Other Assets are valued at the most realistic value to the credit union, usually not to exceed book value.

DEDUCTIONS:

Notes Payable are valued at book.

Accounts Payable are valued at book.

Other Liabilities are valued at book.

Contingent and/or Unrecorded Liabilities are valued at the most realistic known value. This item should include any unrecorded dividends not accrued for the accounting period.

Subsidiary Ledger Differences are deducted if the credit union is likely to suffer a loss due to the problem.

Other Losses includes any other known losses. Do not include deficits in undivided earnings or net losses because they have already reduced assets if properly recorded.