

EXAMINER'S BANKING PRACTICES SURVEY

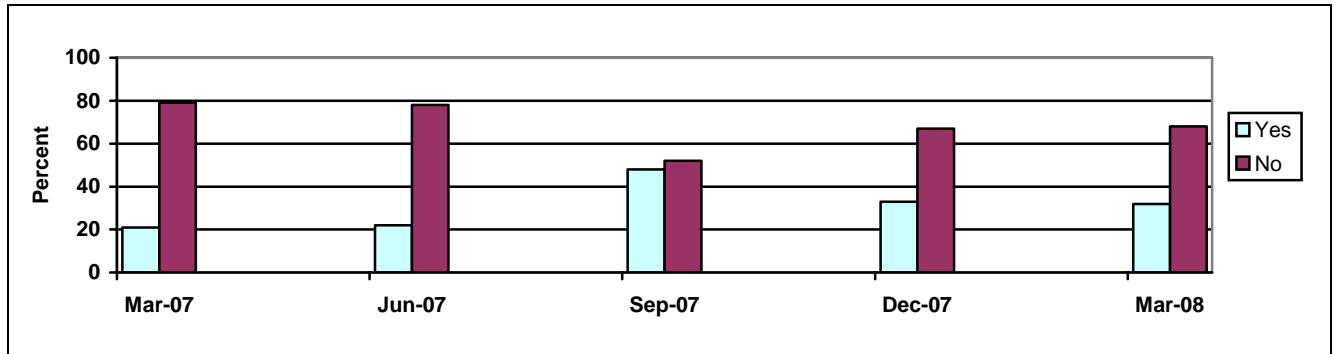
First Quarter 2008

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **First Quarter 2008** results are compiled from **28** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "*Significantly*" means growth of 20% or more.



Of yes responses:

Loan Type	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
RE/Const/Land Devel	29%	29%	17%	7%	23%
RE/Agricultural	6%	9%	8%	14%	14%
RE/Commercial/Indust	12%	19%	25%	24%	9%
RE/Residential	17%	14%	14%	7%	14%
Agricultural	6%	5%	11%	14%	17%
Commercial/Industrial	12%	19%	22%	20%	23%
Consumer	18%	5%	3%	14%	0%

2. Is the institution active in making the following types of loans?

Of Yes Responses-Loan type	Jun-07		Sep-07		Dec-07		Mar-08	
	Yes 3%	No 97%	Yes 19%	No 81%	Yes 12%	No 88%	Yes 11%	No 89%
Sub-prime/Predatory lending	0%		50%		25%		33%	
Dealer paper	0%		33%		25%		33%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	100%		17%		50%		33%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

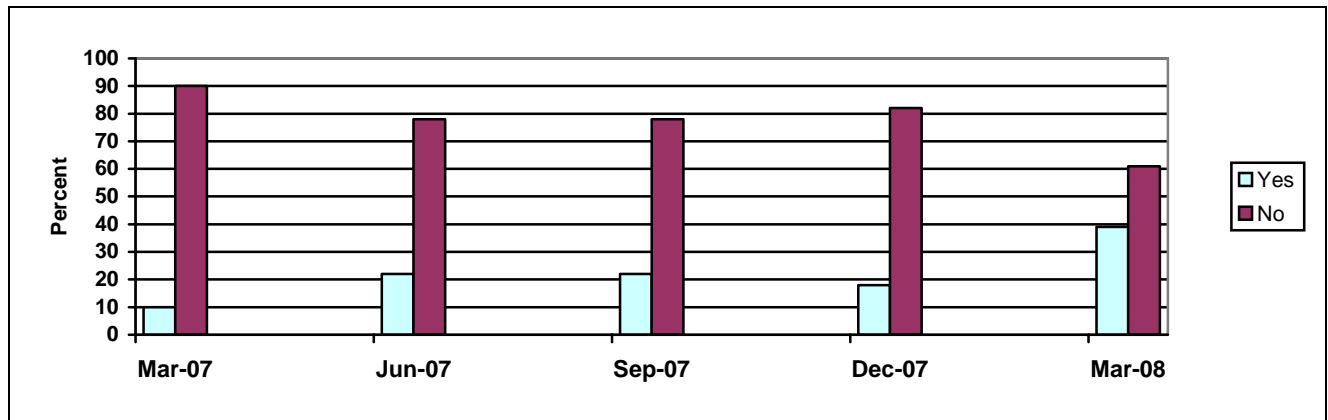
	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Yes	3%	3%	7%	12%	11%
No	97%	97%	93%	88%	89%

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4. Does the institution use credit scoring models for loan decisions?

	Jun-07		Sep-07		Dec-07		Mar-08	
	Yes 13%	No 87%	Yes 15%	No 85%	Yes 9%	No 91%	Yes 11%	No 89%
Of Yes Responses - Loan type								
Credit card	8%		14%		0%		0%	
Consumer	31%		21%		29%		38%	
Residential mortgage	31%		29%		42%		38%	
Small business	23%		21%		29%		24%	
Other	7%		15%		0%		0%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Making collateral based loans?	37%	22%	31%	31%	24%
Reduced collateral margins?	25%	17%	19%	13%	16%
Not requiring cash flow projections?	13%	27%	25%	25%	16%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	25%	17%	19%	25%	32%
Waiving guarantees or other documentation?	0%	17%	6%	0%	8%
Other	0%	0%	0%	6%	4%

6. Describe potential risk in current underwriting practices for:

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Agricultural Loans					
Minimal	86%	84%	78%	76%	75%
Moderate	14%	16%	22%	21%	25%
Substantial	0%	0%	0%	3%	0%
Commercial Loans					
Minimal	59%	63%	52%	58%	43%
Moderate	38%	28%	37%	33%	46%
Substantial	3%	9%	11%	9%	11%
Consumer Loans					
Minimal	79%	88%	78%	76%	68%
Moderate	21%	9%	11%	21%	28%
Substantial	0%	3%	11%	3%	4%
Residential Loans					
Minimal	72%	78%	82%	76%	64%
Moderate	24%	19%	18%	21%	32%
Substantial	4%	3%	0%	3%	4%

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7. Differences between actual lending practices and written policies are:

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Agricultural Loans					
Minimal	90%	97%	93%	85%	89%
Moderate	10%	3%	7%	15%	7%
Substantial	0%	0%	0%	0%	4%
Commercial Loans					
Minimal	72%	75%	74%	82%	54%
Moderate	21%	22%	22%	15%	39%
Substantial	7%	3%	4%	3%	7%
Consumer Loans					
Minimal	83%	91%	85%	88%	78%
Moderate	14%	9%	11%	12%	18%
Substantial	3%	0%	4%	0%	4%
Residential Loans					
Minimal	79%	84%	82%	85%	75%
Moderate	14%	16%	18%	15%	21%
Substantial	7%	0%	0%	0%	4%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Carryover Debt					
Minimal	93%	88%	89%	79%	79%
Moderate	7%	12%	11%	21%	21%
Substantial	0%	0%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	100%	94%	89%	79%	93%
Moderate	0%	6%	11%	21%	7%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	86%	84%	82%	70%	86%
Moderate	10%	13%	18%	27%	14%
Substantial	4%	3%	0%	3%	0%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

No. Banks with Inc/(Dec) in ratio (%)	Jun-07		Sep-07		Dec-07		Mar-08	
	+	-	+	-	+	-	+	-
Average Inc/(Dec) in Ratio	14.1	(7.0)	12.5	(5.0)	18.4	(17.2)	21.2	(10.2)
Cause of Increase								
Eased underwriting standards	7%		15%		2%		8%	
Deterioration in new loans	18%		18%		14%		14%	
Deterioration in older loans	43%		44%		47%		38%	
Participations or out-of-territory	5%		3%		7%		4%	
Economic conditions	7%		10%		28%		30%	
Changes in lending personnel	7%		5%		0%		0%	
New types of lending activity	2%		0%		0%		4%	
Other	11%		5%		2%		2%	

10. Estimate loan classifications at this examination into the following types:

Loan Type	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
RE/Const/Land Development	19%	21%	33%	46%	43%
RE/Agriculture	6%	3%	2%	2%	3%
RE/Commercial/Industrial	38%	29%	24%	32%	31%
RE/Residential	23%	12%	15%	7%	10%
Agricultural	1%	1%	2%	1%	1%
Commercial/Industrial	8%	31%	18%	9%	7%
Consumer	5%	3%	6%	3%	5%

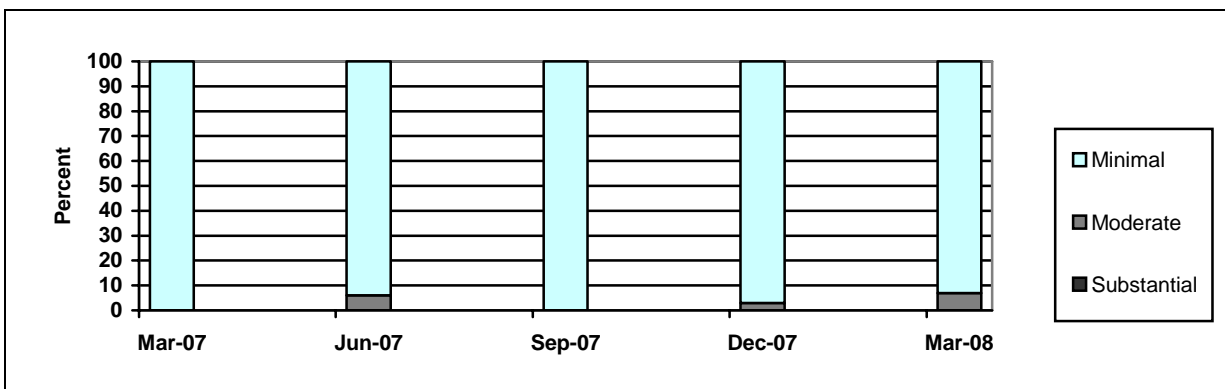
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Yes	0%	0%	0%	0%	4%
No	100%	100%	100%	100%	96%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Yes	76%	82%	89%	82%	86%
No	24%	18%	11%	18%	14%
If yes, does the bank actively borrow from the FHLB?					
Yes	73%	81%	71%	81%	67%
No	27%	19%	29%	19%	33%

14. Does the bank hold off-balance sheet derivatives?

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Yes	0%	6%	11%	0%	4%
No	100%	94%	89%	100%	96%

15. List nontraditional activity the institution is engaged in.

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Yes	76%	81%	78%	88%	79%
No	24%	19%	22%	12%	21%
Of those that do:					
Nondeposit Investment Sales	12%	23%	16%	17%	19%
Insurance Sales	8%	12%	7%	11%	6%
Real Estate Loan Secondary Market Sales	37%	19%	28%	18%	24%
Non-transactional Web Site	5%	6%	5%	11%	6%
Transactional Web Site	35%	38%	44%	39%	43%
Other	3%	2%	0%	4%	2%