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## DIVISION OF FINANCE

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Richard J. Weaver  
Commissioner of Finance

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The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of Dec. 31, 2010, and a comparison with the statements filed one year earlier. Also included is a comparison of financial statements of state-chartered and national banks.

During the previous twelve months, the number of state-chartered banks and trust companies decreased by eight from 289 to 281. Two banks and one nondeposit trust company merged into other institutions. Five state-chartered banks closed in the twelve-month period.

Assets in state-chartered banks totaled \$71.5 billion on Dec. 31, 2010, a decrease of 11.1 percent from one year earlier. Deposits were \$59.6 billion, down 9.1 percent. Total loans were \$47 billion on Dec. 31, 2010, down 12.9 percent. The decline in each of these categories is largely the result of two events: One large bank merged into its out-of-state affiliate; and another large bank sold a number of its out-of-state branches, including loans and deposits, to out-of-state banks.

Asset quality remains challenging for Missouri state-chartered banks. The level of foreclosed real estate remains high at 1.23 percent of total assets (as compared to 1.02 percent as of Dec. 31, 2009, and 0.74 percent as of Dec. 31, 2008.) There are some signs of improvement. Net loan charge-offs remain elevated, but improvement is noted in the last 12 months and Missouri's rate of charge offs is considerably lower than the national average. Banks continue to build reserves due to the adverse effects of the economy; and the Allowances for Loan and Lease Losses remains strong at 2.21 percent of total loans.

The return on assets for 2010 was 0.28 percent; however, the median return on assets was 0.75 percent. Net interest margins have improved to the highest level in three years at 3.96 percent. Provision expense appears to be moderating as 2010 provision expense for all state banks totaled \$685million, compared to \$1.035 billion in 2009. The percentage of Missouri state-chartered banks losing money for the year stood at 15 percent; considerably better than the national average of 21 percent of all commercial banks.

Overall, the condition of Missouri state banks is improving, and strong capital levels have been maintained throughout these challenging economic conditions.

A handwritten signature in cursive script that reads "Richard J. Weaver".

Richard J. Weaver  
Commissioner of Finance

**COMPARATIVE STATEMENT OF CONDITION  
STATE BANKS AND TRUST COMPANIES IN MISSOURI  
AS OF DECEMBER 31, 2010**

THOUSANDS OF DOLLARS	275 BANKS 12/31/2010	282 BANKS 12/31/2009	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$46,965,645	\$53,912,647	(\$6,947,002)	-12.9%
Allowance for Loan Losses	1,038,428	1,130,678	(92,250)	-8.2%
Total Assets	71,524,975	80,446,398	(8,921,423)	-11.1%
<b>LIABILITIES</b>				
Total Deposits	59,587,964	65,570,909	(5,982,945)	-9.1%
Total Equity Capital	6,834,731	7,745,838	(911,107)	-11.8%

OPERATING RATIOS	12/31/2010	12/31/2009	CHANGE
Equity Capital/Assets	9.56%	9.63%	-0.07%
Tangible Equity Capital/Assets	8.89%	8.46%	0.43%
Capital and Allowance for Loan Losses/Assets	10.85%	10.88%	-0.03%
Total Loans/Assets	65.66%	67.02%	-1.35%
Past Due and Nonaccrual Loans/Total Loans	5.00%	4.85%	0.15%
Allowance for Loan Losses/Loans	2.21%	2.10%	0.11%
Average Net Interest Margin	3.96%	3.77%	0.19%
Return on Assets	0.28%	-0.28%	0.56%

**NOTES:**

2009 does not include seven nondeposit trust companies.

2010 does not include six nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION  
STATE AND NATIONAL BANKS IN MISSOURI  
AS OF DECEMBER 31, 2010**

MILLIONS OF DOLLARS	12/31/2010			12/31/2009	PERCENT CHANGE
	275 STATE BANKS	32 NATIONAL BANKS	307 ALL BANKS	317 ALL BANKS	
<b>ASSETS</b>					
Cash and Due from Banks	5,765	3,894	9,659	11,099	-13.0%
Investment Securities	14,253	14,392	28,645	25,472	12.5%
Total Loans and Leases	46,966	20,548	67,514	77,289	-12.6%
Less: Reserves	1,039	388	1,427	1,678	-15.0%
Federal Funds Sold	722	1,032	1,754	2,414	-27.3%
Fixed Assets	1,523	836	2,359	2,481	-4.9%
Other Real Estate	880	87	967	1,027	-5.8%
Intangible Assets	525	331	856	1,283	-33.3%
Other assets	1,930	843	2,773	3,203	-13.4%
<b>TOTAL ASSETS</b>	<b>\$71,525</b>	<b>\$41,575</b>	<b>\$113,100</b>	<b>\$122,590</b>	<b>-7.7%</b>
<b>LIABILITIES</b>					
Total Deposits	59,588	32,850	92,438	98,548	-6.2%
Deposits over 100M	10,670	3,584	14,254	15,708	-9.3%
Brokered Deposits	3,642	206	3,848	6,745	-43.0%
Federal Funds Purchased	2,034	3,573	5,607	6,305	-11.1%
Other liabilities	3,068	1,364	4,432	6,536	-32.2%
Total Equity Capital	6,835	3,788	10,623	11,201	-5.2%
<b>TOTAL LIABILITIES</b>	<b>\$71,525</b>	<b>\$41,575</b>	<b>\$113,100</b>	<b>\$122,590</b>	<b>-7.7%</b>
<b>EARNINGS</b>					
Interest Income	3,251	1,448	4,699	5,439	-13.6%
Interest Expense	842	206	1,048	1,747	-40.0%
Net Interest Income	2,409	1,242	3,651	3,692	-1.1%
Provision for Loan Losses	685	185	870	1,621	-46.3%
Net Income	203	363	566	-246	NA
Cash Dividends	268	167	435	365	19.2%
Net Loan Losses	683	165	848	1,273	-33.4%