



## DIVISION OF FINANCE

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Richard J. Weaver  
Commissioner of Finance

December 7, 2012

The attached report represents a consolidation of Reports of Condition and Income filed by state-chartered banks with the Missouri Division of Finance as of September 30, 2012, 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 four from 280 to 276. Three banks merged into other institutions. Three state-chartered banks closed in the period. Two new bank charters were granted when national institutions converted to state-chartered banks.

Assets in state-chartered banks totaled \$93.4 billion on September 30, 2012, an increase of 0.7 percent from one year earlier. Deposits were \$77.5 billion, up 1.9 percent. Total loans were \$54.3 billion on September 30, 2012, down 0.6 percent.

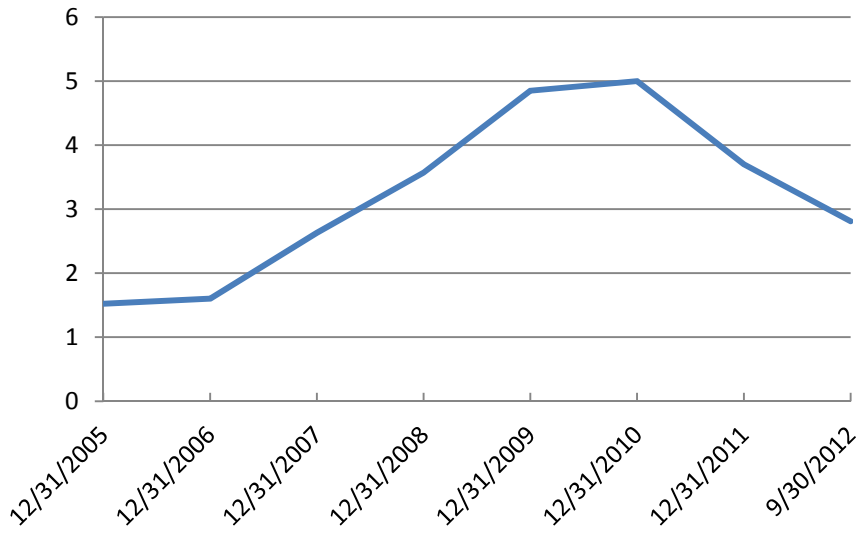
The overall condition of Missouri state-chartered banks continues to improve. The attached graphs depict improvement in several component areas. Asset quality has improved since last quarter and last year, with the past due ratio declining further this quarter to 2.81 percent from 3.03 percent three months ago and 3.87 percent one year earlier. The decline in this ratio, and the absence of growth in other real estate, are persuasive indicators that asset quality will continue to improve in the future. Net loan losses are also declining as a percentage of total loans. Earnings performance continues to improve as provision expense in state-chartered banks has declined from \$367 million through three quarters last year to \$232 million the first three quarters in 2012. The Return on Assets has risen from 0.81 percent at September 30, 2011, to 1.05 percent as of September 30, 2012.

Capital ratios have again increased and are at the highest level since 2008. Earnings retention is directly responsible for this improvement. Although a slight decline is noted, the Allowance for Loan and Lease Losses remains strong at 1.97 percent of total loans. The balance of liquidity vs. loan volume has been maintained with loans representing 58 percent of total assets. Nationwide, all commercial banks' ratio of loans to assets was 52.8 percent as of September 30, 2012, indicating that Missouri state-chartered banks have an above average portion of their assets invested in loans.

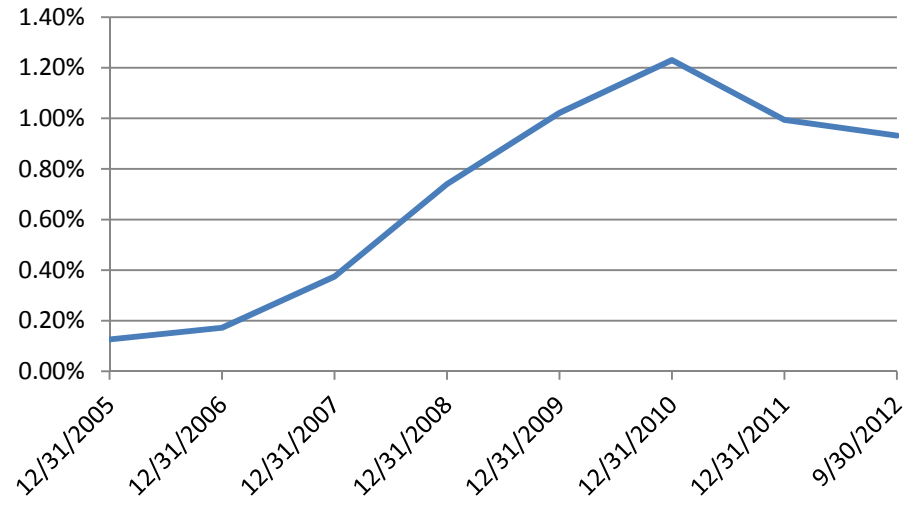
A handwritten signature in cursive script that reads "Richard J. Weaver".

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Commissioner of Finance

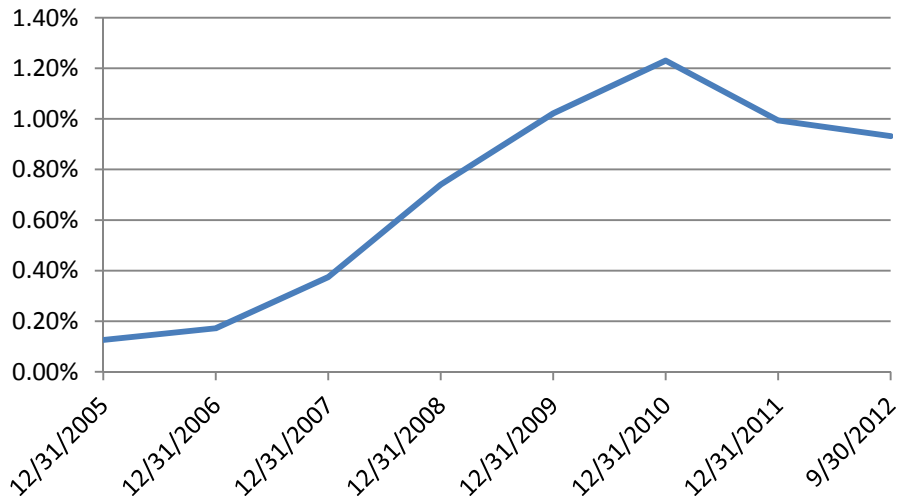
**PAST DUE LOANS TO TOTAL LOANS**



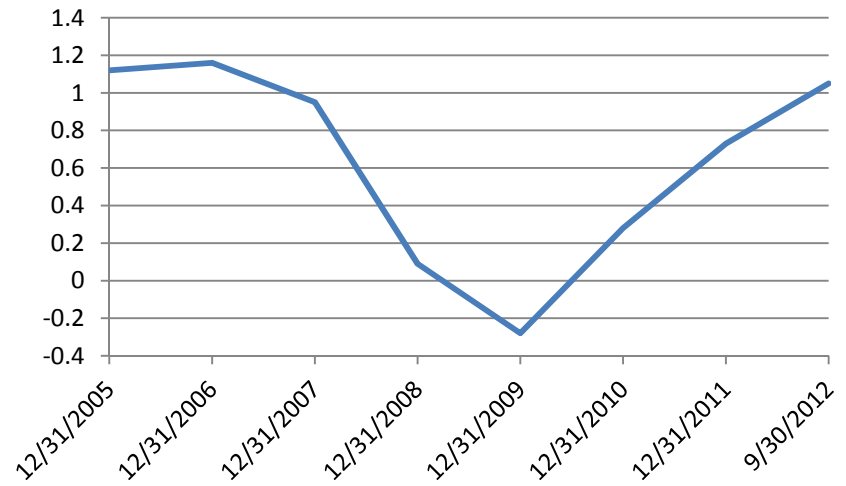
**NET LOAN LOSSES TO TOTAL LOANS**



**OTHER REAL ESTATE TO TOTAL ASSETS**



**ROA OF STATE CHARTERED BANKS**



**COMPARATIVE STATEMENT OF CONDITION  
STATE BANKS AND TRUST COMPANIES IN MISSOURI  
AS OF SEPTEMBER 30, 2012**

THOUSANDS OF DOLLARS	271 BANKS 9/30/2012	274 BANKS 9/30/2011	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$54,336,201	\$54,670,019	(\$333,818)	-0.6%
Allowance for Loan Losses	1,068,648	1,191,329	(122,681)	-10.3%
Total Assets	93,386,951	92,727,082	659,869	0.7%
<b>LIABILITIES</b>				
Total Deposits	77,492,067	76,040,286	1,451,781	1.9%
Total Equity Capital	9,622,738	9,168,195	454,543	5.0%

OPERATING RATIOS	9/30/2012	9/30/2011	CHANGE
Equity Capital/Assets	10.30%	9.89%	0.41%
Tangible Equity Capital/Assets	9.67%	9.21%	0.46%
Capital and Allowance for Loan Losses/Assets	11.32%	11.03%	0.29%
Total Loans/Assets	58.18%	58.96%	-0.78%
Past Due and Nonaccrual Loans/Total Loans	2.81%	3.87%	-1.06%
Allowance for Loan Losses/Loans	1.97%	2.18%	-0.21%
Average Net Interest Margin	3.92%	3.99%	-0.07%
Return on Assets	1.05%	0.81%	0.24%

**NOTES:**

2011 does not include six nondeposit trust companies.  
2012 does not include five nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION  
STATE AND NATIONAL BANKS IN MISSOURI  
AS OF SEPTEMBER 30, 2012**

MILLIONS OF DOLLARS	9/30/2012			9/30/2011	PERCENT CHANGE
	271 STATE BANKS	29 NATIONAL BANKS	300 ALL BANKS	304 ALL BANKS	
<b>ASSETS</b>					
Cash and Due from Banks	5,954	1,817	7,771	8,218	-5.4%
Investment Securities	27,157	9,653	36,810	33,669	9.3%
Total Loans and Leases	54,336	12,404	66,740	65,744	1.5%
Less: Reserves	1,069	199	1,268	1,383	-8.3%
Federal Funds Sold	1,242	541	1,783	2,053	-13.2%
Fixed Assets	1,864	538	2,402	2,334	2.9%
Other Real Estate	870	201	1,071	1,068	0.3%
Intangible Assets	660	200	860	880	-2.3%
Other assets	2,373	596	2,968	2,871	3.4%
<b>TOTAL ASSETS</b>	<b>\$93,387</b>	<b>\$25,750</b>	<b>\$119,137</b>	<b>\$115,454</b>	<b>3.2%</b>
<b>LIABILITIES</b>					
Total Deposits	77,492	21,030	98,522	94,353	4.4%
Deposits over 250M/100M**	3,212	629	3,841	4,854	-20.9%
Brokered Deposits	4,408	242	4,650	4,050	14.8%
Federal Funds Purchased	3,276	1,523	4,799	5,067	-5.3%
Other liabilities	2,998	439	3,435	4,583	-25.0%
Total Equity Capital	9,623	2,758	12,381	11,451	8.1%
<b>TOTAL LIABILITIES</b>	<b>\$93,387</b>	<b>\$25,750</b>	<b>\$119,137</b>	<b>\$115,454</b>	<b>3.2%</b>
<b>EARNINGS</b>					
Interest Income	2,719	667	3,386	3,479	-2.7%
Interest Expense	379	69	448	604	-25.8%
Net Interest Income	2,340	598	2,938	2,875	2.2%
Provision for Loan Losses	232	58	290	424	-31.6%
Net Income	727	150	877	716	22.5%
Cash Dividends	366	79	445	379	17.4%
Net Loan Losses	260	50	310	465	-33.3%