

EXAMINER'S BANKING PRACTICES SURVEY

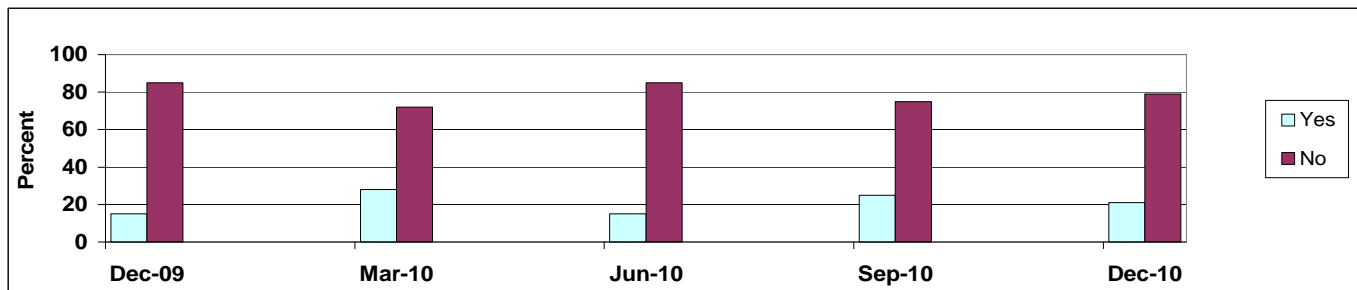
Fourth Quarter 2010

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Fourth Quarter 2010** results are compiled from **34** 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	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
RE/Const/Land Devel	25%	19%	13%	18%	29%
RE/Agricultural	25%	12%	12%	10%	7%
RE/Commercial/Indust	25%	25%	25%	18%	7%
RE/Residential	0%	0%	13%	18%	7%
Agricultural	0%	6%	12%	18%	14%
Commercial/Industrial	17%	25%	13%	18%	14%
Consumer	8%	13%	12%	0%	22%

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

	Mar-10		Jun-10		Sep-10		Dec-10	
	Yes 10%	No 90%	Yes 3%	No 97%	Yes 6%	No 94%	Yes 3%	No 97%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	33%		0%		33%		0%	
Dealer paper	67%		100%		67%		100%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	0%		0%		0%		0%	

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

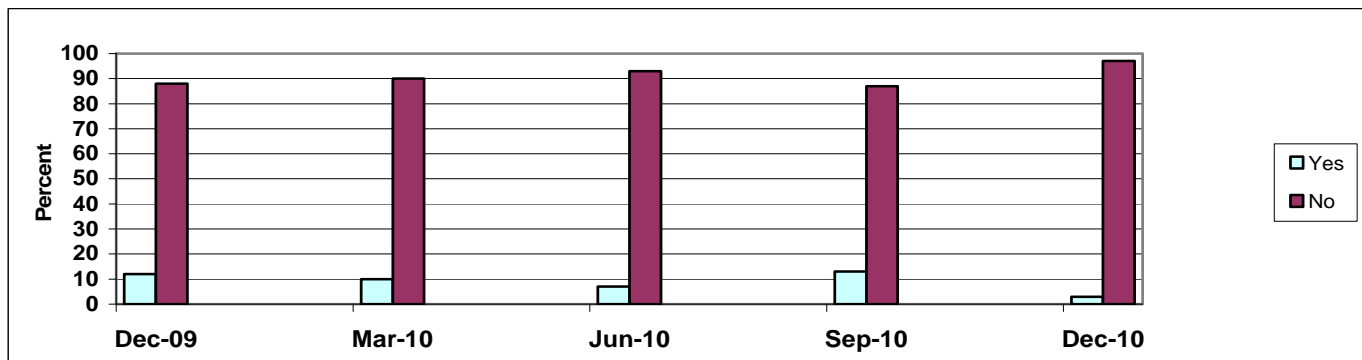
	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Yes	3%	0%	0%	6%	6%
No	97%	100%	100%	94%	94%

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

	Mar-10		Jun-10		Sep-10		Dec-10	
	Yes 14%	No 86%	Yes 15%	No 85%	Yes 16%	No 84%	Yes 12%	No 88%
Of Yes Responses - Loan type								
Credit card	0%		7%		16%		0%	
Consumer	43%		43%		26%		30%	
Residential mortgage	43%		36%		21%		40%	
Small business	14%		7%		21%		20%	
Other	0%		7%		16%		10%	

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



Of yes responses:

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Making collateral based loans?	22%	0%	38%	29%	20%
Reduced collateral margins?	11%	0%	12%	0%	20%
Not requiring cash flow projections?	34%	50%	25%	29%	20%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	22%	25%	25%	29%	20%
Waiving guarantees or other documentation?	11%	0%	0%	13%	20%
Other	0%	25%	0%	0%	0%

6. Describe potential risk in current underwriting practices for:

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Agricultural Loans					
Minimal	88%	79%	92%	75%	91%
Moderate	12%	21%	8%	25%	9%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	53%	55%	54%	47%	59%
Moderate	41%	31%	33%	47%	38%
Substantial	6%	14%	13%	6%	3%
Consumer Loans					
Minimal	79%	72%	77%	66%	77%
Moderate	18%	24%	23%	34%	20%
Substantial	3%	4%	0%	0%	3%
Residential Loans					
Minimal	76%	79%	77%	66%	74%
Moderate	21%	21%	23%	34%	20%
Substantial	3%	0%	0%	0%	6%

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

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	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Agricultural Loans					
Minimal	97%	83%	97%	91%	94%
Moderate	3%	17%	3%	9%	6%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	74%	72%	77%	62%	79%
Moderate	24%	24%	18%	38%	21%
Substantial	3%	4%	5%	0%	0%
Consumer Loans					
Minimal	94%	86%	97%	91%	91%
Moderate	6%	14%	0%	9%	6%
Substantial	0%	0%	3%	0%	3%
Residential Loans					
Minimal	82%	83%	97%	91%	94%
Moderate	18%	17%	0%	9%	3%
Substantial	0%	0%	3%	0%	3%

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

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Carryover Debt					
Minimal	91%	86%	85%	78%	97%
Moderate	9%	14%	15%	22%	3%
Substantial	0%	0%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	91%	90%	92%	84%	97%
Moderate	9%	10%	8%	16%	3%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	97%	90%	80%	81%	91%
Moderate	3%	10%	20%	19%	6%
Substantial	0%	0%	0%	0%	3%

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

	Mar-10		Jun-10		Sep-10		Dec-10	
	+ 76%	- 24%	+ 64%	- 36%	+ 69%	- 31%	+ 41%	- 59%
No. Banks with Inc/(Dec) in ratio (%)								
Average Inc/(Dec) in Ratio	21.0	(13.2)	28.2	(12.3)	19.8	(8.6)	13.3	(14.3)
Cause of Increase								
Eased underwriting standards	2%		0%		6%		3%	
Deterioration in new loans	2%		2%		4%		11%	
Deterioration in older loans	43%		45%		45%		45%	
Participations or out-of-territory	17%		9%		8%		0%	
Economic conditions	32%		36%		33%		38%	
Changes in lending personnel	0%		2%		0%		3%	
New types of lending activity	2%		0%		0%		0%	
Other	2%		6%		4%		0%	

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

Loan Type	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
RE/Const/Land Development	53%	27%	26%	35%	42%
RE/Agriculture	1%	1%	2%	3%	1%
RE/Commercial/Industrial	29%	51%	44%	38%	38%
RE/Residential	6%	9%	11%	9%	7%
Agricultural	0%	1%	1%	0%	1%
Commercial/Industrial	9%	8%	13%	13%	9%
Consumer	2%	3%	3%	2%	2%

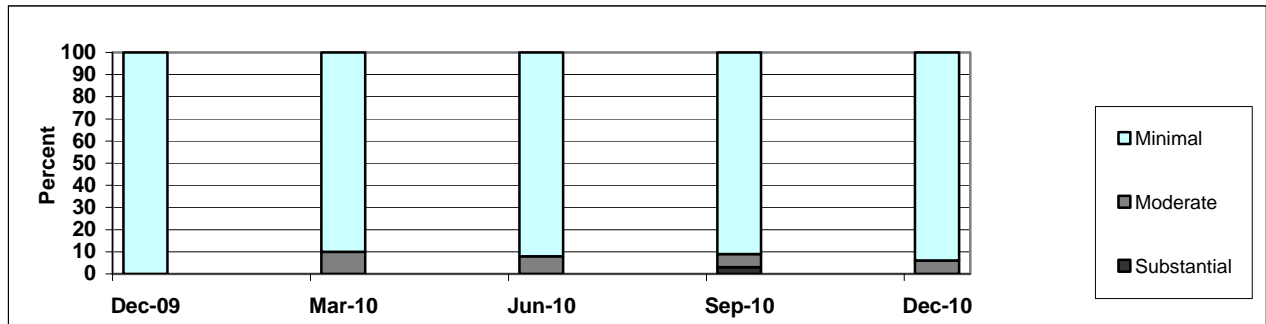
INVESTMENTS

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

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Yes	0%	0%	3%	3%	0%
No	100%	100%	97%	97%	100%

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



OTHER

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

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Yes	94%	86%	87%	81%	85%
No	6%	14%	13%	19%	15%
If yes, does the bank actively borrow from the FHLB?					
Yes	84%	80%	82%	89%	76%
No	16%	20%	18%	11%	24%

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

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Yes	9%	3%	15%	12%	9%
No	91%	97%	85%	88%	91%

15. List nontraditional activity the institution is engaged in.

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
Yes	85%	90%	85%	75%	97%
No	15%	10%	15%	25%	3%
Of those that do:					
Nondeposit Investment Sales	18%	13%	13%	15%	12%
Insurance Sales	7%	11%	10%	9%	6%
Real Estate Loan Secondary Market Sales	31%	34%	29%	25%	33%
Non-transactional Web Site	7%	8%	7%	7%	6%
Transactional Web Site	35%	34%	40%	40%	41%
Other	2%	0%	1%	4%	2%