



DIVISION OF FINANCE

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Richard J. Weaver
Commissioner of Finance

March 10, 2010

The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of December 31, 2009, 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 two from 291 to 289. Two banks merged into other institutions. Two state chartered banks closed in 2009. There were two new bank charters granted when national institutions converted to state chartered banks.

Assets in state-chartered banks totaled \$80.4 billion on December 31, 2009, an increase of 5.8 percent from one year earlier. Deposits were \$65.6 billion, up 8.2 percent. Total loans were \$53.9 billion on December 31, 2009, down 1.9 percent. The decline in total loans is the result of the charge off of poor quality loans and transfers to other real estate (foreclosures) during 2009.

Asset quality continues to deteriorate as past due loans and other real estate owned remain at very high levels. Loans 90 days or more past due or on nonaccrual and other real estate represent 29 percent of capital and reserves on an aggregate basis. This ratio was 13 percent at the end of 2008.

While reports of banks refusing to lend money are often heard, 144 (51 percent) of the 282 state-chartered banks increased loan balances during 2009. After adjusting for one large merger, the average 2009 loan growth reported by the 143 banks was 10.37 percent.

The equity capital ratio decreased to 9.63 percent. Primary capital, which includes the allowance for loan and lease losses, was also down, to 10.88 percent. The tangible equity capital ratio decreased to 8.46 percent. Despite these changes, capital remains strong in Missouri banks.

Net income in state banks has declined materially since December 2008. Return on assets among state-chartered banks was -0.28 percent compared to 0.09 percent in December 2008. The aggregate loss is primarily attributed to three banks.

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The return on assets for the remaining 279 banks was 0.36 percent. The median (the item in the middle of a numerically-ordered list) return on assets was 0.62 percent. 79 (or 28 percent) of the 282 banks had a return on assets of 1 percent or more. Banks continue to strengthen reserves for the adverse effects of the economy on loan portfolios, as Allowances for Loan and Lease Losses increased to 2.10 percent of total loans.



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**COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF DECEMBER 31, 2009**

THOUSANDS OF DOLLARS	282 BANKS 12/31/2009	284 BANKS 12/31/2008	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$53,912,647	\$54,976,514	(\$1,063,867)	-1.9%
Allowance for Loan Losses	1,130,678	923,976	206,702	22.4%
Total Assets	80,446,398	76,036,870	4,409,528	5.8%
LIABILITIES				
Total Deposits	65,570,909	60,611,553	4,959,356	8.2%
Total Equity Capital	7,745,838	7,842,713	(96,875)	-1.2%

OPERATING RATIOS	12/31/2009	12/31/2008	CHANGE
Equity Capital/Assets	9.63%	10.31%	-0.44%
Tangible Equity Capital/Assets	8.46%	8.84%	-0.38%
Capital and Allowance for Loan Losses/Assets	10.88%	11.39%	-0.51%
Total Loans/Assets	67.02%	72.30%	-1.78%
Past Due and Nonaccrual Loans/Total Loans	4.85%	3.57%	1.28%
Allowance for Loan Losses/Loans	2.10%	1.68%	0.42%
Average Net Interest Margin	3.77%	3.85%	-0.08%
Return on Assets	-0.28%	0.09%	-0.37%

NOTES:

Both years' data exclude seven nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF DECEMBER 31, 2009**

MILLIONS OF DOLLARS	12/31/2009			12/31/2008	PERCENT CHANGE
	282 STATE BANKS	35 NATIONAL BANKS	317 ALL BANKS	321 ALL BANKS	
ASSETS					
Cash and Due from Banks	7,080	4,019	11,099	6,398	73.5%
Investment Securities	13,043	12,429	25,472	20,660	23.3%
Total Loans and Leases	53,913	23,376	77,289	80,239	-3.7%
Less: Reserves	1,131	547	1,678	1,307	28.4%
Federal Funds Sold	1,819	595	2,414	2,886	-16.4%
Fixed Assets	1,621	860	2,481	2,443	1.6%
Other Real Estate	822	205	1,027	646	59.0%
Intangible Assets	1,026	257	1,283	1,507	-14.9%
Other assets	2,253	950	3,203	2,834	13.0%
TOTAL ASSETS	\$80,446	\$42,144	\$122,590	\$116,306	5.4%
LIABILITIES					
Total Deposits	65,571	32,977	98,548	91,001	8.3%
Deposits over 100M	11,297	4,411	15,708	14,959	5.0%
Brokered Deposits	6,394	351	6,745	7,313	-7.8%
Federal Funds Purchased	2,434	3,871	6,305	5,885	7.1%
Other liabilities	4,695	1,841	6,536	8,249	-20.8%
Total Equity Capital	7,746	3,455	11,201	11,171	0.3%
TOTAL LIABILITIES	\$80,446	\$42,144	\$122,590	\$116,306	5.4%
EARNINGS					
Interest Income	3,740	1,699	5,439	6,030	-9.8%
Interest Expense	1,318	429	1,747	2,420	-27.8%
Net Interest Income	2,422	1,270	3,692	3,610	2.3%
Provision for Loan Losses	1,035	586	1,621	1,072	51.2%
Net Income	-223	-23	-246	388	-163.4%
Cash Dividends	238	127	365	587	-37.8%
Net Loan Losses	846	427	1,273	805	58.1%