



## DIVISION OF FINANCE

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Richard J. Weaver  
Commissioner of Finance

December 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 September 30, 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 six from 290 to 284. Two banks and one nondeposit trust company merged into other institutions. Four state chartered banks closed in the twelve month period. There was one new bank charter granted when a national institution converted to a state chartered bank.

Assets in state-chartered banks totaled \$70.0 billion on September 30, 2010, a decrease of 12.1 percent from one year earlier. Deposits were \$57.4 billion, down 10.2 percent. Total loans were \$47.3 billion on September 30, 2010, down 13.8 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. 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 1.01 percent as of September 30, 2009, and 0.58 percent as of September 30, 2008.) There are some signs of improvement. While the past due loans ratio is higher than last year's third quarter (and considerably higher than industry standards), it is trending downward for the second consecutive quarter. 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 2.25 percent of total loans.

The return on assets for the first three quarters of 2010 was 0.37 percent; however, the median return on assets was 0.78 percent. Net interest margins have improved to the highest level in almost three years at 3.94 percent. Provision expense appears to be moderating as September 30, 2010, provision expense for all state banks totaled \$487M, compared to \$712M at September 30, 2009.

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 SEPTEMBER 30, 2010**

THOUSANDS OF DOLLARS	278 BANKS 9/30/2010	283 BANKS 9/30/2009	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$47,345,293	\$54,947,983	(\$7,602,690)	-13.8%
Allowance for Loan Losses	1,063,230	1,114,864	(51,634)	-4.6%
Total Assets	69,974,441	79,643,695	(9,669,254)	-12.1%
<b>LIABILITIES</b>				
Total Deposits	57,361,947	63,879,547	(6,517,600)	-10.2%
Total Equity Capital	6,942,798	7,947,331	(1,004,533)	-12.6%

OPERATING RATIOS	9/30/2010	9/30/2009	CHANGE
Equity Capital/Assets	9.92%	9.98%	-0.06%
Tangible Equity Capital/Assets	9.25%	8.69%	0.56%
Capital and Allowance for Loan Losses/Assets	11.27%	11.22%	0.05%
Total Loans/Assets	67.66%	68.99%	-1.33%
Past Due and Nonaccrual Loans/Total Loans	4.80%	4.74%	0.06%
Allowance for Loan Losses/Loans	2.25%	2.03%	0.22%
Average Net Interest Margin	3.94%	3.74%	0.20%
Return on Assets	0.37%	-0.12%	0.49%

**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 SEPTEMBER 30, 2010**

MILLIONS OF DOLLARS	9/30/2010			9/30/2009	PERCENT CHANGE
	278 STATE BANKS	33 NATIONAL BANKS	311 ALL BANKS	319 ALL BANKS	
<b>ASSETS</b>					
Cash and Due from Banks	5,206	3,680	8,886	7,980	11.4%
Investment Securities	13,035	13,185	26,220	24,476	7.1%
Total Loans and Leases	47,345	22,137	69,482	78,924	-12.0%
Less: Reserves	1,063	510	1,573	1,670	-5.8%
Federal Funds Sold	619	532	1,151	2,342	-50.9%
Fixed Assets	1,478	838	2,316	2,479	-6.6%
Other Real Estate	860	294	1,154	969	19.1%
Intangible Assets	519	257	776	1,396	-44.4%
Other assets	1,975	890	2,865	2,905	-1.4%
<b>TOTAL ASSETS</b>	<b>\$69,974</b>	<b>\$41,303</b>	<b>\$111,277</b>	<b>\$119,801</b>	<b>-7.1%</b>
<b>LIABILITIES</b>					
Total Deposits	57,362	32,687	90,049	91,438	-1.5%
Deposits over 100M	10,620	3,927	14,547	14,915	-2.5%
Brokered Deposits	3,506	320	3,826	7,199	-46.9%
Federal Funds Purchased	2,152	3,433	5,585	5,864	-4.8%
Other liabilities	3,517	1,563	5,080	11,354	-55.3%
Total Equity Capital	6,943	3,620	10,563	11,145	-5.2%
<b>TOTAL LIABILITIES</b>	<b>\$69,974</b>	<b>\$41,303</b>	<b>\$111,277</b>	<b>\$119,801</b>	<b>-7.1%</b>
<b>EARNINGS</b>					
Interest Income	2,439	1,172	3,611	4,111	-12.2%
Interest Expense	651	217	868	1,367	-36.5%
Net Interest Income	1,788	955	2,743	2,744	0.0%
Provision for Loan Losses	487	182	669	1,169	-42.8%
Net Income	194	213	407	-107	#
Cash Dividends	185	116	301	285	5.6%
Net Loan Losses	461	210	671	835	-19.6%

# not meaningful, as denominator is negative.