

EXAMINER'S BANKING PRACTICES SURVEY

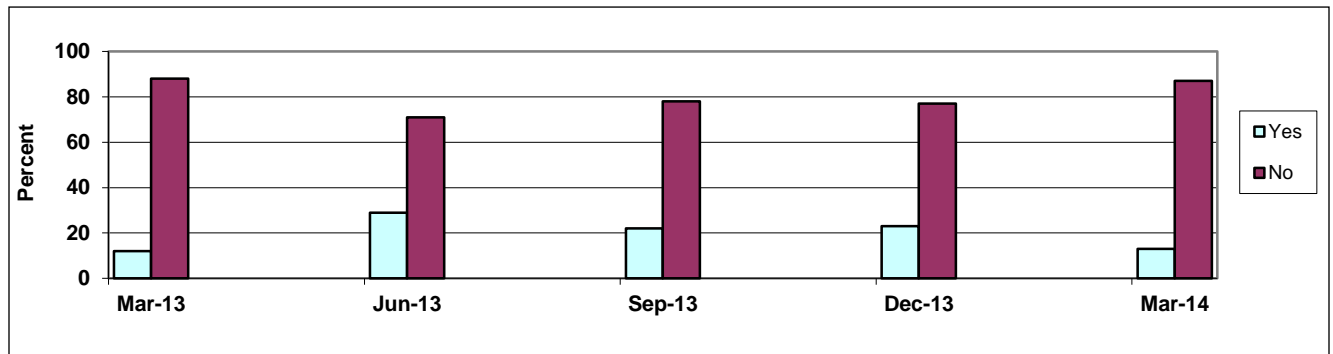
First Quarter 2014

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **First Quarter 2014** results are compiled from **24** 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	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
RE/Const/Land Devel	25%	10%	34%	0%	20%
RE/Agricultural	0%	20%	13%	13%	0%
RE/Commercial/Indust	0%	15%	0%	24%	0%
RE/Residential	0%	10%	13%	13%	0%
Agricultural	0%	20%	13%	37%	60%
Commercial/Industrial	50%	20%	20%	13%	20%
Consumer	25%	5%	7%	0%	0%

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

Of Yes Responses-Loan type	Jun-13		Sep-13		Dec-13		Mar-14	
	Yes 3%	No 97%	Yes 0%	No 100%	Yes 3%	No 97%	Yes 4%	No 96%
Sub-prime/Predatory lending	0%		0%		0%		100%	
Dealer paper	100%		0%		0%		0%	
Low or No-doc bus. lending	0%		0%		100%		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?

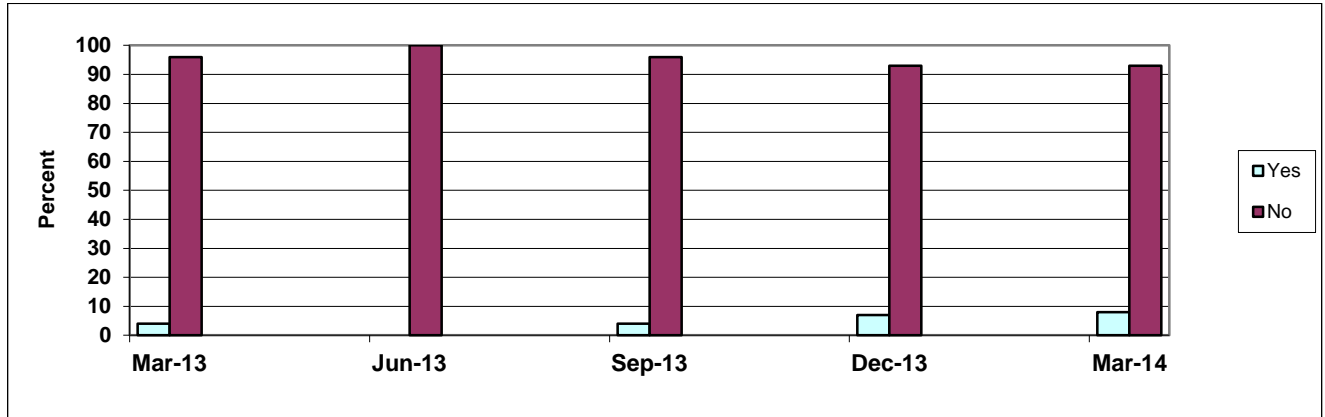
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Yes	0%	10%	0%	3%	8%
No	100%	90%	100%	97%	92%

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

	Jun-13		Sep-13		Dec-13		Mar-14	
	Yes 7%	No 93%	Yes 15%	No 85%	Yes 23%	No 77%	Yes 17%	No 83%
Of Yes Responses - Loan type								
Credit card	29%		0%		13%		0%	
Consumer	29%		44%		25%		36%	
Residential mortgage	29%		44%		43%		36%	
Small business	13%		12%		13%		28%	
Other	0%		0%		6%		0%	

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



Of yes responses:

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Making collateral based loans?	0%	0%	0%	20%	0%
Reduced collateral margins?	0%	0%	0%	0%	33%
Not requiring cash flow projections?	0%	0%	0%	40%	0%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	100%	0%	0%	20%	33%
Waiving guarantees or other documentation?	0%	0%	100%	20%	0%
Other	0%	0%	0%	0%	33%

6. Describe potential risk in current underwriting practices for:

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Agricultural Loans					
Minimal	96%	90%	93%	90%	92%
Moderate	4%	10%	7%	10%	8%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	80%	74%	74%	83%	83%
Moderate	20%	23%	26%	17%	17%
Substantial	0%	3%	0%	0%	0%
Consumer Loans					
Minimal	84%	87%	85%	90%	88%
Moderate	16%	10%	15%	10%	12%
Substantial	0%	3%	0%	0%	0%
Residential Loans					
Minimal	88%	87%	85%	90%	83%
Moderate	12%	10%	15%	7%	17%
Substantial	0%	3%	0%	3%	0%

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

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Agricultural Loans					
Minimal	92%	100%	100%	93%	96%
Moderate	8%	0%	0%	7%	4%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	88%	90%	93%	93%	92%
Moderate	12%	10%	7%	7%	8%
Substantial	0%	0%	0%	0%	0%
Consumer Loans					
Minimal	84%	93%	96%	97%	92%
Moderate	16%	7%	4%	3%	8%
Substantial	0%	0%	0%	0%	0%
Residential Loans					
Minimal	88%	97%	96%	93%	92%
Moderate	12%	3%	4%	7%	8%
Substantial	0%	0%	0%	0%	0%

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

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Carryover Debt					
Minimal	92%	97%	85%	90%	100%
Moderate	8%	3%	15%	7%	0%
Substantial	0%	0%	0%	3%	0%
Phase-out of Farm Subsidies					
Minimal	96%	87%	93%	100%	96%
Moderate	4%	13%	7%	0%	4%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	88%	81%	85%	90%	88%
Moderate	12%	16%	15%	10%	12%
Substantial	0%	3%	0%	0%	0%

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

	Jun-13		Sep-13		Dec-13		Mar-14	
	+	-	+	-	+	-	+	-
No. Banks with Inc/(Dec) in ratio (%)	16%	84%	19%	81%	20%	80%	29%	71%
Average Inc/(Dec) in Ratio	4.5	(15.6)	8.5	(16.1)	8.5	(19.0)	8.1	(13.2)
Cause of Increase								
Eased underwriting standards	0%		0%		0%		0%	
Deterioration in new loans	0%		0%		11%		0%	
Deterioration in older loans	71%		83%		56%		78%	
Participations or out-of-territory	0%		0%		0%		0%	
Economic conditions	29%		0%		0%		22%	
Changes in lending personnel	0%		0%		11%		0%	
New types of lending activity	0%		0%		0%		0%	
Other	0%		17%		22%		0%	

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

Loan Type	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
RE/Const/Land Development	21%	15%	23%	21%	28%
RE/Agriculture	3%	3%	2%	5%	2%
RE/Commercial/Industrial	50%	54%	45%	42%	31%
RE/Residential	13%	15%	11%	17%	20%
Agricultural	0%	0%	2%	1%	0%
Commercial/Industrial	10%	10%	16%	11%	14%
Consumer	3%	3%	1%	3%	5%

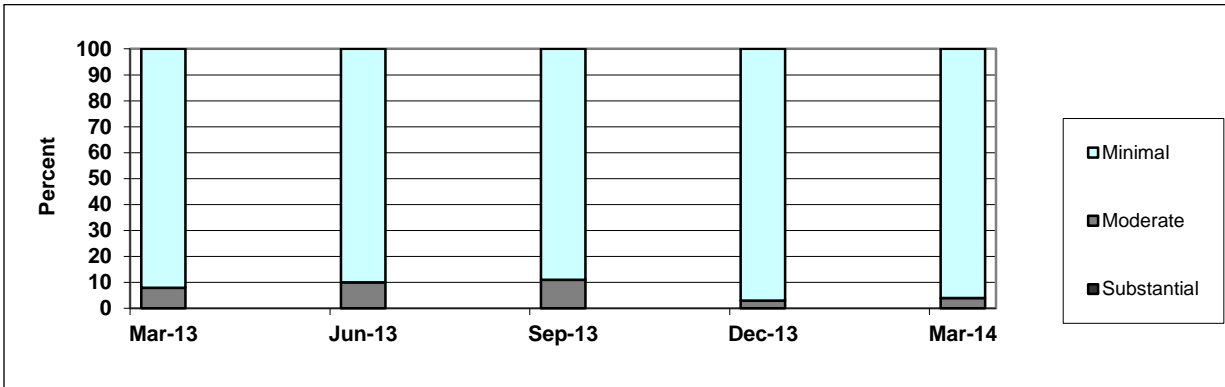
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INVESTMENTS

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

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Yes	4%	0%	0%	7%	4%
No	96%	100%	100%	93%	96%

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



OTHER

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

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Yes	80%	93%	93%	87%	92%
No	20%	7%	7%	13%	8%
If yes, does the bank actively borrow from the FHLB?					
Yes	65%	79%	64%	62%	64%
No	35%	21%	36%	38%	36%

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

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Yes	12%	7%	11%	10%	8%
No	88%	93%	89%	90%	92%

15. List nontraditional activity the institution is engaged in.

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Yes	92%	93%	100%	83%	100%
No	8%	7%	0%	17%	0%
Of those that do:					
Nondeposit Investment Sales	15%	17%	16%	14%	5%
Insurance Sales	11%	9%	7%	12%	7%
Real Estate Loan Secondary Market Sales	28%	33%	31%	24%	29%
Non-transactional Web Site	0%	3%	3%	0%	3%
Transactional Web Site	46%	37%	41%	50%	51%
Other	0%	1%	2%	0%	5%