

EXAMINER'S BANKING PRACTICES SURVEY

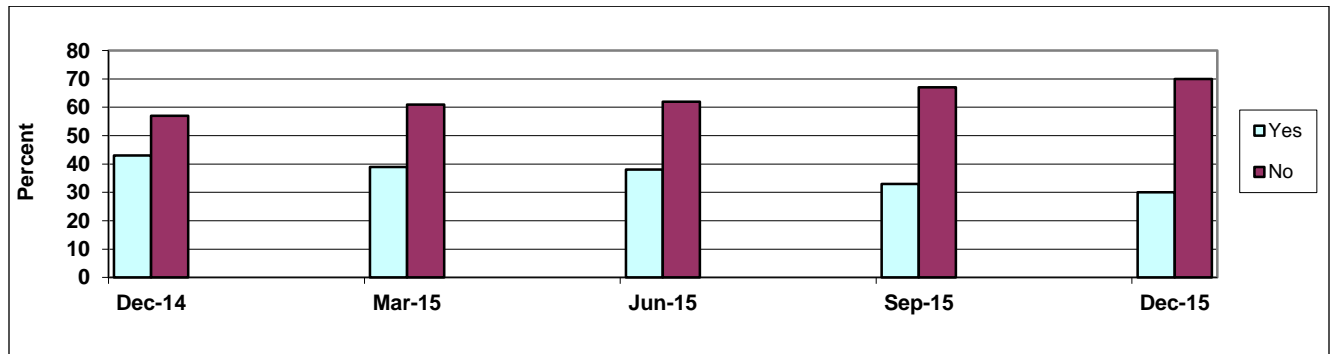
Fourth Quarter 2015

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Fourth Quarter 2015** results are compiled from **27** 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-14	Mar-15	Jun-15	Sep-15	Dec-15
RE/Const/Land Devel	22%	27%	22%	15%	0%
RE/Agricultural	10%	18%	11%	18%	25%
RE/Commercial/Indust	10%	9%	11%	7%	6%
RE/Residential	3%	9%	6%	14%	25%
Agricultural	16%	14%	17%	25%	13%
Commercial/Industrial	26%	14%	33%	14%	31%
Consumer	13%	9%	0%	7%	0%

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

Of Yes Responses-Loan type	Mar-15		Jun-15		Sep-15		Dec-15	
	Yes 16%	No 84%	Yes 10%	No 90%	Yes 8%	No 92%	Yes 11%	No 89%
Sub-prime/Predatory lending	16%		33%		33%		33%	
Dealer paper	68%		67%		67%		67%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	16%		0%		0%		0%	

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

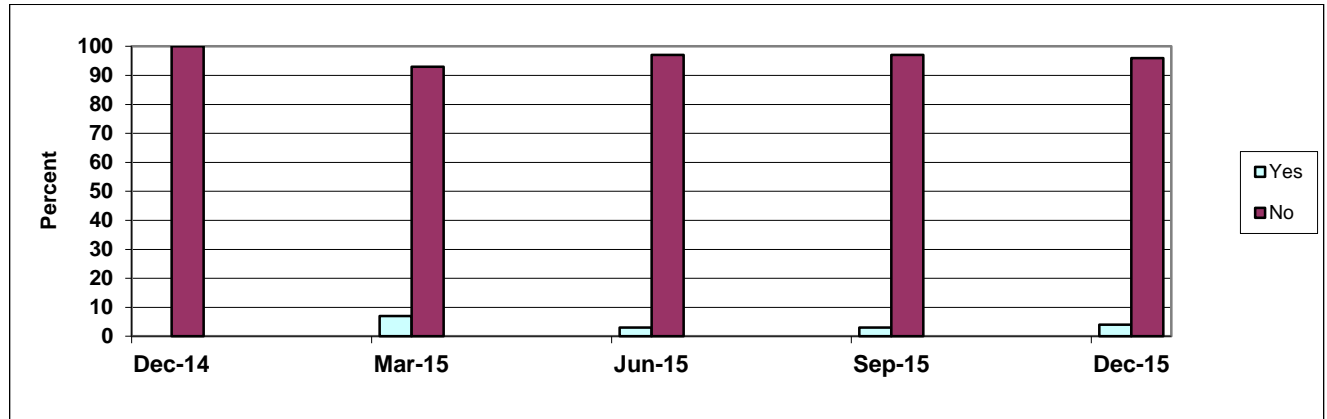
	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Yes	7%	7%	0%	0%	0%
No	93%	93%	100%	100%	100%

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

	Mar-15		Jun-15		Sep-15		Dec-15	
	Yes 16%	No 84%	Yes 20%	No 80%	Yes 8%	No 92%	Yes 15%	No 85%
Of Yes Responses - Loan type								
Credit card	15%		16%		20%		38%	
Consumer	39%		42%		60%		25%	
Residential mortgage	23%		42%		20%		25%	
Small business	23%		0%		0%		12%	
Other	0%		0%		0%		0%	

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



Of yes responses:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Making collateral based loans?	0%	20%	0%	0%	100%
Reduced collateral margins?	0%	20%	0%	0%	0%
Not requiring cash flow projections?	0%	40%	50%	0%	0%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	0%	20%	50%	100%	0%
Waiving guarantees or other documentation?	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%

6. Describe potential risk in current underwriting practices for:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Agricultural Loans					
Minimal	100%	94%	94%	89%	78%
Moderate	0%	3%	3%	11%	22%
Substantial	0%	3%	3%	0%	0%
Commercial Loans					
Minimal	86%	78%	83%	86%	86%
Moderate	14%	19%	14%	11%	14%
Substantial	0%	3%	3%	3%	0%
Consumer Loans					
Minimal	93%	90%	90%	92%	89%
Moderate	7%	10%	7%	8%	11%
Substantial	0%	0%	3%	0%	0%
Residential Loans					
Minimal	93%	90%	86%	94%	89%
Moderate	7%	10%	10%	6%	11%
Substantial	0%	0%	4%	0%	0%

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

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Agricultural Loans					
Minimal	100%	94%	94%	97%	89%
Moderate	0%	6%	3%	3%	11%
Substantial	0%	0%	3%	0%	0%
Commercial Loans					
Minimal	93%	94%	86%	92%	85%
Moderate	7%	3%	10%	5%	15%
Substantial	0%	3%	4%	3%	0%
Consumer Loans					
Minimal	96%	90%	94%	97%	93%
Moderate	4%	7%	3%	3%	7%
Substantial	0%	3%	3%	0%	0%
Residential Loans					
Minimal	93%	93%	90%	97%	93%
Moderate	7%	7%	7%	3%	7%
Substantial	0%	0%	3%	0%	0%

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

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Carryover Debt					
Minimal	89%	90%	72%	81%	70%
Moderate	11%	7%	28%	14%	26%
Substantial	0%	3%	0%	5%	4%
Phase-out of Farm Subsidies					
Minimal	93%	97%	97%	92%	96%
Moderate	7%	3%	3%	8%	4%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	89%	84%	86%	83%	78%
Moderate	11%	13%	14%	17%	18%
Substantial	0%	3%	0%	0%	4%

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

No. Banks with Inc/(Dec) in ratio (%)	Mar-15		Jun-15		Sep-15		Dec-15	
	+ 29%	- 71%	+ 14%	- 86%	+ 36%	- 64%	+ 22%	- 78%
Average Inc/(Dec) in Ratio	11.2	(9.2)	11.4	(7.6)	7.0	(7.7)	4.5	(10.4)
Cause of Increase								
Eased underwriting standards	7%		20%		6%		0%	
Deterioration in new loans	15%		0%		12%		0%	
Deterioration in older loans	62%		60%		71%		83%	
Participations or out-of-territory	8%		0%		0%		0%	
Economic conditions	8%		20%		6%		0%	
Changes in lending personnel	0%		0%		0%		0%	
New types of lending activity	0%		0%		5%		17%	
Other	0%		0%		0%		0%	

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

Loan Type	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
RE/Const/Land Development	10%	21%	15%	9%	7%
RE/Agriculture	4%	3%	1%	4%	13%
RE/Commercial/Industrial	55%	46%	51%	38%	32%
RE/Residential	19%	14%	18%	14%	20%
Agricultural	0%	1%	1%	2%	4%
Commercial/Industrial	10%	7%	10%	31%	19%
Consumer	2%	8%	4%	2%	5%

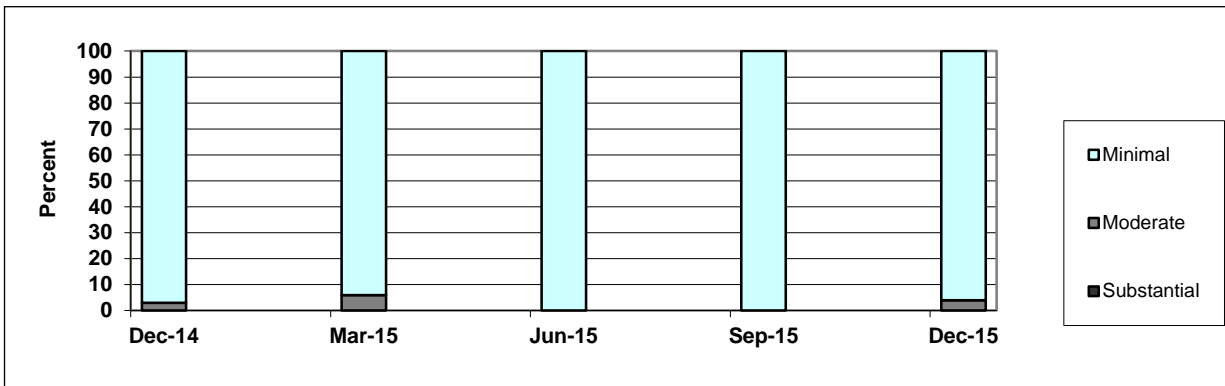
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INVESTMENTS

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

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Yes	0%	0%	0%	0%	0%
No	100%	100%	100%	100%	100%

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



OTHER

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

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Yes	86%	97%	93%	92%	89%
No	14%	3%	7%	8%	11%
If yes, does the bank actively borrow from the FHLB?					
Yes	58%	47%	67%	70%	60%
No	42%	53%	33%	30%	40%

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

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Yes	18%	13%	3%	28%	11%
No	82%	87%	97%	72%	89%

15. List nontraditional activity the institution is engaged in.

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Yes	100%	94%	97%	100%	88%
No	0%	6%	3%	0%	12%
Of those that do:					
Nondeposit Investment Sales	43%	35%	43%	36%	22%
Insurance Sales	11%	24%	29%	25%	4%
Real Estate Loan Secondary Market Sales	61%	69%	64%	67%	28%
Non-transactional Web Site	18%	3%	11%	8%	9%
Transactional Web Site	89%	93%	89%	86%	48%
Other	11%	0%	4%	2%	20%