

Jeremiah W. (Jay) Nixon  
Governor  
State of Missouri



Department of Insurance  
Financial Institutions  
and Professional Registration  
John M. Huff, Director

DIVISION OF FINANCE

301 West High Street, Room 630  
P.O. Box 716  
Jefferson City, MO 65102-0716  
(573) 751-3242  
(573) 751-9192 FAX  
[www.finance.mo.gov](http://www.finance.mo.gov)

Debra Hardman  
Acting Commissioner

June 7, 2016

The attached report represents a consolidation of Reports of Condition and Income filed by state-chartered banks with the Missouri Division of Finance as of March 31, 2016, 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 reduced from 261 to 258. During these past twelve months seven banks merged into other institutions and five new state bank charters were granted; as three national institutions and two federal thrifts converted to state chartered banks, and one bank self liquidated.

Assets in state-chartered banks totaled \$114.7 billion on March 31, 2016, an increase of 8.0 percent from one year earlier. Deposits were \$96.0 billion and total loans were \$72.8 billion on March 31, 2016, an increase of 8.7 percent and 11.6 percent from one year earlier, respectively.

The overall condition of Missouri state-chartered banks continues to improve. The attached graphs illustrate improvement in several component areas. Asset quality has improved, with the past due ratio stabilizing at a manageable 1.27 percent down from 1.57 percent one year earlier. The return on assets remains strong at 1.09 percent, despite a compressed net interest margin. Although the average net interest margin is compressed at 3.74 percent; Missouri banks have a much higher margin than the average net interest margin for all banks in the nation (3.10 percent).

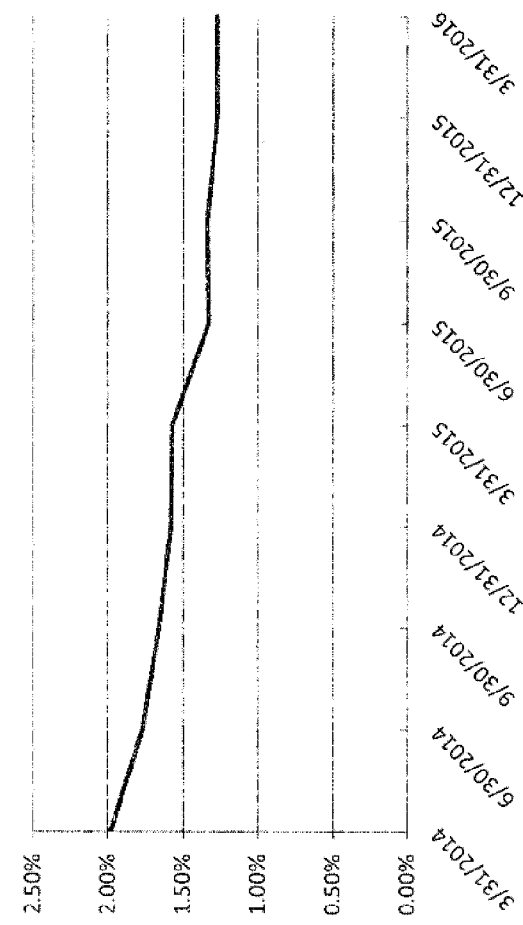
The higher than average net interest margin is partly attributed to Missouri state-chartered banks lending a greater percentage of assets out to their communities than the national average. Net loans to assets is 62.58 percent in Missouri state-chartered banks; while the national average for all banks is 54.12 percent.

Capital remains strong, as the Tier 1 Leverage Capital ratio is 9.65 percent of total assets, slightly above the national average of 9.61 percent.

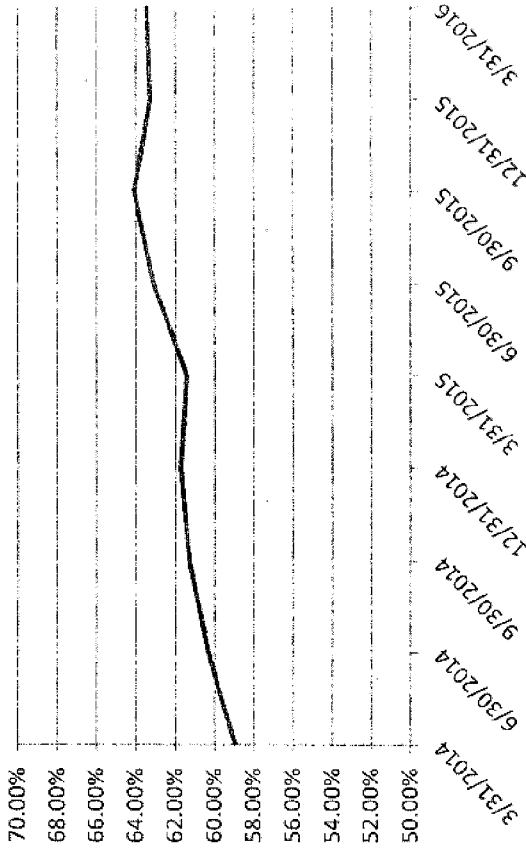
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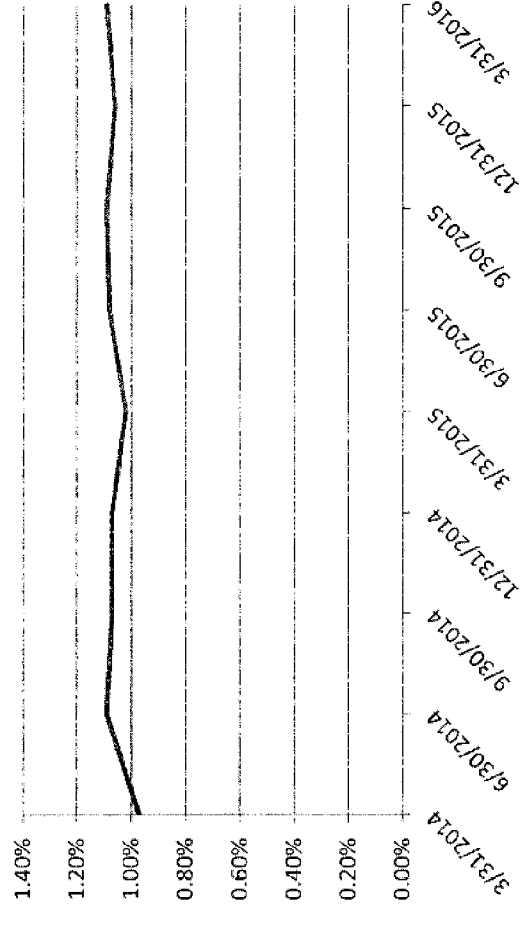
### PAST DUE LOANS TO TOTAL LOANS



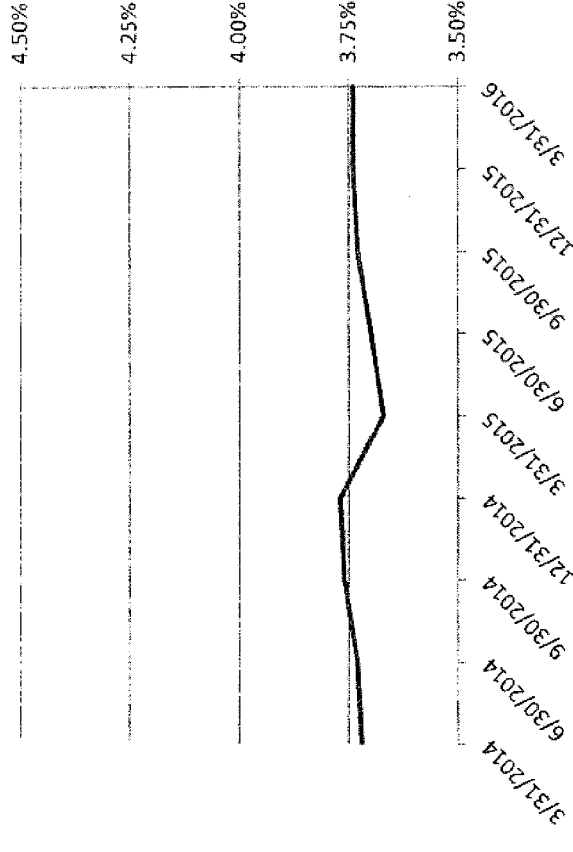
### Loans/Assets



### RETURN ON ASSETS



### NET INTEREST MARGIN



**COMPARATIVE STATEMENT OF CONDITION  
STATE BANKS AND TRUST COMPANIES IN MISSOURI  
AS OF MARCH 31, 2016**

THOUSANDS OF DOLLARS	258 BANKS 3/31/2016	261 BANKS 3/31/2015	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$72,785,214	\$65,221,508	\$7,563,706	11.6%
Allowance for Loan Losses	998,808	973,933	24,875	2.6%
Total Assets	114,705,090	106,210,645	8,494,445	8.0%
<b>LIABILITIES</b>				
Total Deposits	95,977,735	88,324,327	7,653,408	8.7%
Total Equity Capital	11,702,613	10,990,736	711,877	6.5%

OPERATING RATIOS	3/31/2016	3/31/2015	CHANGE
Equity Capital/Assets	10.20%	10.35%	-0.15%
Tangible Equity Capital/Assets	9.65%	9.72%	-0.07%
Capital and Allowance for Loan Losses/Assets	10.98%	11.16%	-0.19%
Total Loans/Assets	63.45%	61.41%	2.04%
Past Due and Nonaccrual Loans/Total Loans	1.27%	1.57%	-0.30%
Allowance for Loan Losses/Total Loans	1.37%	1.49%	-0.12%
Average Net Interest Margin	3.74%	3.67%	0.07%
Return on Assets	1.09%	1.02%	0.07%

**NOTES:**

2015 does not include five nondeposit trust companies.  
2016 does not include four nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION  
STATE AND NATIONAL BANKS IN MISSOURI  
AS OF MARCH 31, 2016**

MILLIONS OF DOLLARS	3/31/2016			3/31/2015	PERCENT CHANGE
	258 STATE BANKS	16 NATIONAL BANKS	274 ALL BANKS	283 ALL BANKS	
<b>ASSETS</b>					
Cash and Due from Banks	6,262	1,109	7,371	8,672	-15.0%
Investment Securities	29,541	9,156	38,697	39,275	-1.5%
Total Loans and Leases	72,785	14,615	87,400	79,917	9.4%
Less: Reserves	999	152	1,151	1,158	-0.6%
Federal Funds Sold	1,211	185	1,396	1,447	-3.5%
Fixed Assets	2,032	387	2,419	2,492	-2.9%
Other Real Estate	376	23	399	504	-20.8%
Intangible Assets	697	130	827	928	-10.9%
Other assets	2,800	688	3,488	3,360	3.8%
<b>TOTAL ASSETS</b>	<b>\$114,705</b>	<b>\$26,141</b>	<b>\$140,846</b>	<b>\$135,437</b>	<b>4.0%</b>
<b>LIABILITIES</b>					
Total Deposits	95,978	21,357	117,335	112,135	4.6%
Deposits over 250M	4,548	610	5,158	4,606	12.0%
Brokered Deposits	9,891	511	10,402	7,130	45.9%
Federal Funds Purchased	3,607	1,772	5,379	6,243	-13.8%
Other liabilities	3,417	640	4,057	3,331	21.8%
Total Equity Capital	11,703	2,372	14,075	13,728	2.5%
<b>TOTAL LIABILITIES &amp; EQUITY CAPITAL</b>	<b>\$114,705</b>	<b>\$26,141</b>	<b>\$140,846</b>	<b>\$135,437</b>	<b>4.0%</b>
<b>EARNINGS</b>					
Interest Income	976	187	1,163	1,082	7.5%
Interest Expense	85	11	96	90	6.7%
Net Interest Income	891	176	1,067	992	7.6%
Provision for Loan Losses	33	6	39	28	39.3%
Net Income	308	48	356	309	15.2%
Cash Dividends	158	15	173	209	-17.2%
Net Loan Losses	26	7	33	22	50.0%