

EXAMINER'S BANKING PRACTICES SURVEY

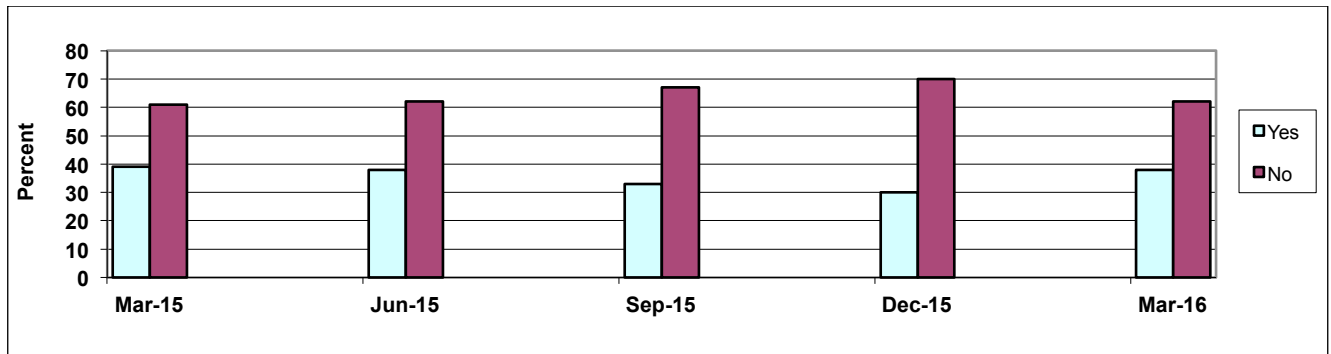
First Quarter 2016

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **First Quarter 2016** results are compiled from **21** 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-15	Jun-15	Sep-15	Dec-15	Mar-16
RE/Const/Land Devel	27%	22%	15%	0%	16%
RE/Agricultural	18%	11%	18%	25%	11%
RE/Commercial/Indust	9%	11%	7%	6%	5%
RE/Residential	9%	6%	14%	25%	10%
Agricultural	14%	17%	25%	13%	21%
Commercial/Industrial	14%	33%	14%	31%	16%
Consumer	9%	0%	7%	0%	21%

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

	Jun-15		Sep-15		Dec-15		Mar-16	
	Yes 10%	No 90%	Yes 8%	No 92%	No 11%	Yes 89%	Yes 0%	No 100%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	33%		33%		33%		0%	
Dealer paper	67%		67%		67%		0%	
Low or No-doc bus. lending	0%		0%		0%		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?

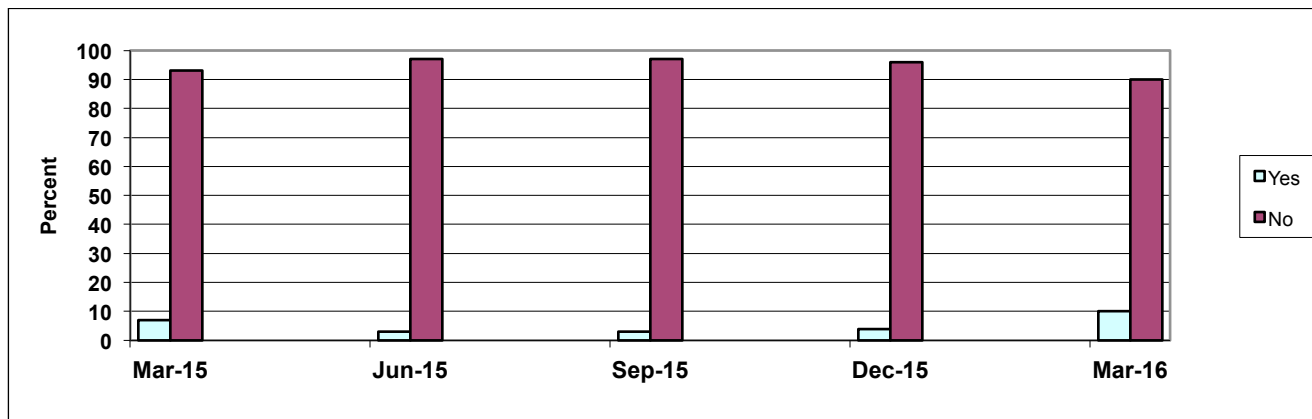
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Yes	7%	0%	0%	0%	0%
No	93%	100%	100%	100%	100%

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

Of Yes Responses - Loan type	Jun-15		Sep-15		Dec-15		Mar-16	
	Yes 20%	No 80%	Yes 8%	No 92%	Yes 15%	No 85%	Yes 24%	No 76%
Credit card	16%		20%		38%		0%	
Consumer	42%		60%		25%		50%	
Residential mortgage	42%		20%		25%		40%	
Small business	0%		0%		12%		10%	
Other	0%		0%		0%		0%	

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



Of yes responses:

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Making collateral based loans?	20%	0%	0%	100%	20%
Reduced collateral margins?	20%	0%	0%	0%	20%
Not requiring cash flow projections?	40%	50%	0%	0%	40%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	20%	50%	100%	0%	20%
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:

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Agricultural Loans					
Minimal	94%	94%	89%	78%	81%
Moderate	3%	3%	11%	22%	14%
Substantial	3%	3%	0%	0%	5%
Commercial Loans					
Minimal	78%	83%	86%	86%	71%
Moderate	19%	14%	11%	14%	19%
Substantial	3%	3%	3%	0%	10%
Consumer Loans					
Minimal	90%	90%	92%	89%	86%
Moderate	10%	7%	8%	11%	9%
Substantial	0%	3%	0%	0%	5%
Residential Loans					
Minimal	90%	86%	94%	89%	86%
Moderate	10%	10%	6%	11%	9%
Substantial	0%	4%	0%	0%	5%

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

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Agricultural Loans					
Minimal	94%	94%	97%	89%	86%
Moderate	6%	3%	3%	11%	9%
Substantial	0%	3%	0%	0%	5%
Commercial Loans					
Minimal	94%	86%	92%	85%	81%
Moderate	3%	10%	5%	15%	9%
Substantial	3%	4%	3%	0%	10%
Consumer Loans					
Minimal	90%	94%	97%	93%	91%
Moderate	7%	3%	3%	7%	0%
Substantial	3%	3%	0%	0%	9%
Residential Loans					
Minimal	93%	90%	97%	93%	90%
Moderate	7%	7%	3%	7%	5%
Substantial	0%	3%	0%	0%	5%

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

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Carryover Debt					
Minimal	90%	72%	81%	70%	67%
Moderate	7%	28%	14%	26%	33%
Substantial	3%	0%	5%	4%	0%
Phase-out of Farm Subsidies					
Minimal	97%	97%	92%	96%	86%
Moderate	3%	3%	8%	4%	14%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	84%	86%	83%	78%	71%
Moderate	13%	14%	17%	18%	29%
Substantial	3%	0%	0%	4%	0%

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 (%)	Jun-15		Sep-15		Dec-15		Mar-16	
	+ 14%	- 86%	+ 36%	- 64%	+ 22%	- 78%	+ 45%	- 55%
Average Inc/(Dec) in Ratio	11.4	(7.6)	7.0	(7.7)	4.5	(10.4)	8.8	(12.8)
Cause of Increase								
Eased underwriting standards	20%		6%		0%		13%	
Deterioration in new loans	0%		12%		0%		25%	
Deterioration in older loans	60%		71%		83%		44%	
Participations or out-of-territory	0%		0%		0%		0%	
Economic conditions	20%		6%		0%		6%	
Changes in lending personnel	0%		0%		0%		6%	
New types of lending activity	0%		5%		17%		0%	
Other	0%		0%		0%		6%	

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

Loan Type	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
RE/Const/Land Development	21%	15%	9%	7%	15%
RE/Agriculture	3%	1%	4%	13%	12%
RE/Commercial/Industrial	46%	51%	38%	32%	45%
RE/Residential	14%	18%	14%	20%	17%
Agricultural	1%	1%	2%	4%	3%
Commercial/Industrial	7%	10%	31%	19%	5%
Consumer	8%	4%	2%	5%	3%

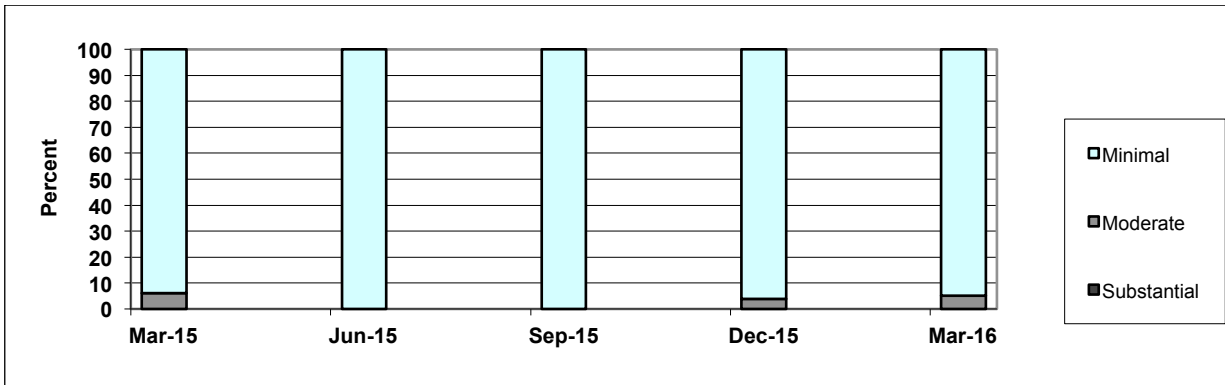
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INVESTMENTS

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

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
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?

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Yes	97%	93%	92%	89%	95%
No	3%	7%	8%	11%	5%
If yes, does the bank actively borrow from the FHLB?					
Yes	47%	67%	70%	60%	65%
No	53%	33%	30%	40%	35%

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

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Yes	13%	3%	28%	11%	0%
No	87%	97%	72%	89%	100%

15. List nontraditional activity the institution is engaged in.

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Yes	94%	97%	100%	88%	95%
No	6%	3%	0%	12%	5%
Of those that do:					
Nondeposit Investment Sales	35%	43%	36%	22%	35%
Insurance Sales	24%	29%	25%	4%	10%
Real Estate Loan Secondary Market Sales	69%	64%	67%	28%	65%
Non-transactional Web Site	3%	11%	8%	9%	15%
Transactional Web Site	93%	89%	86%	48%	90%
Other	0%	4%	2%	20%	5%