

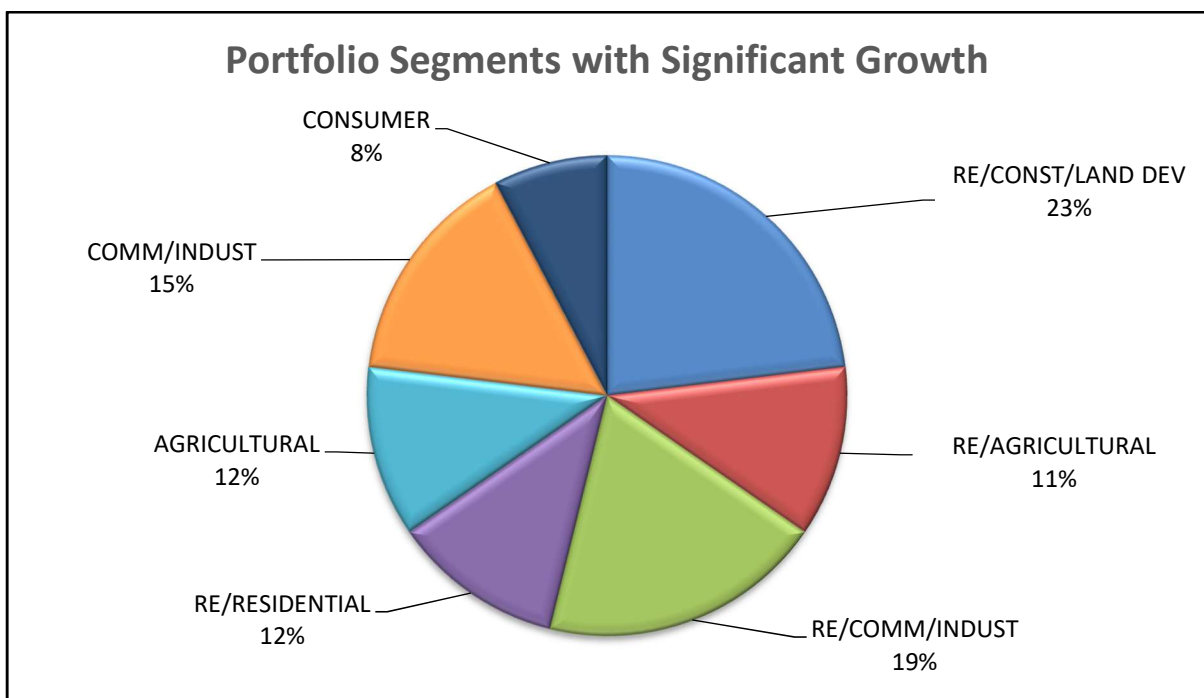
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FIRST QUARTER 2023**

Number of Banks Examined: **17**

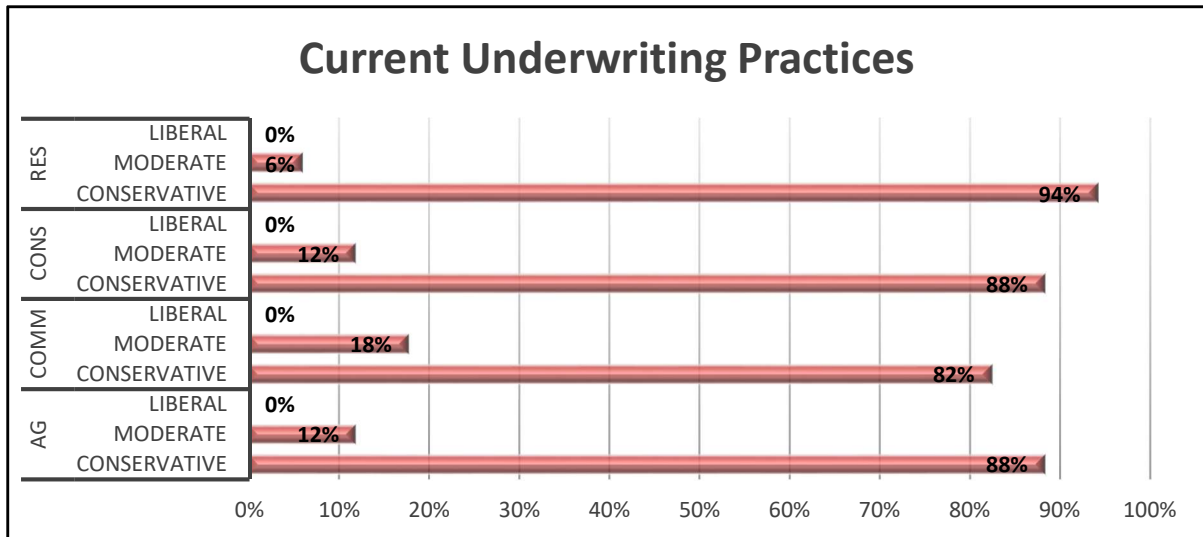
***LENDING***

1. Since the last examinations, **11** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **11** banks for the identified growth.

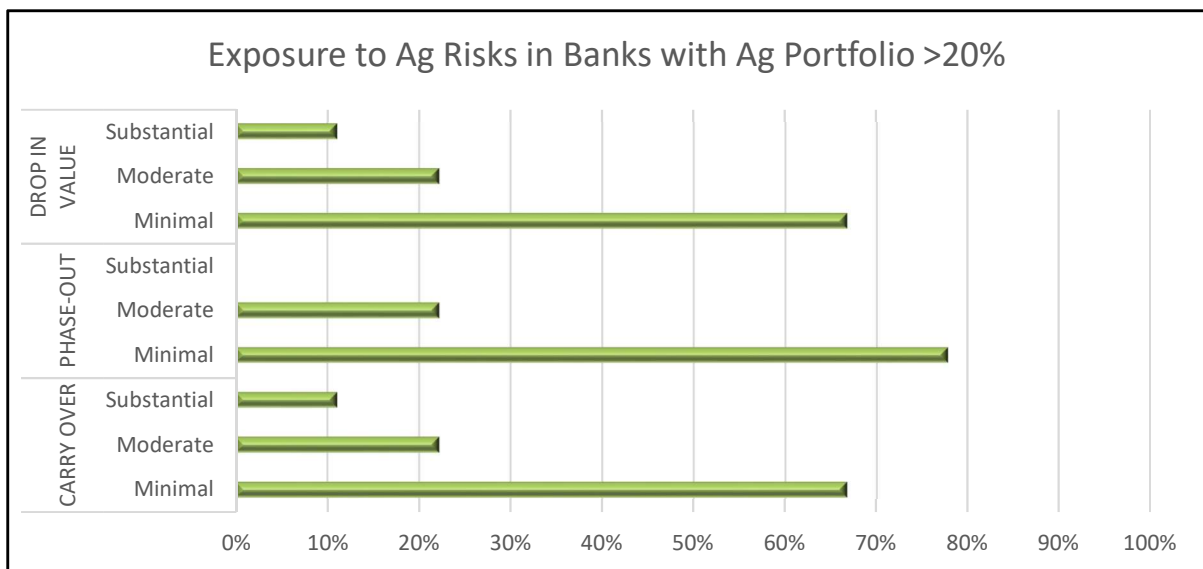


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **1** of the banks during the quarter. Collateral dependency, lack of cash flow analysis, and liberal repayment terms were identified in this bank.

3. Though increases are identified in the moderate categories, the majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

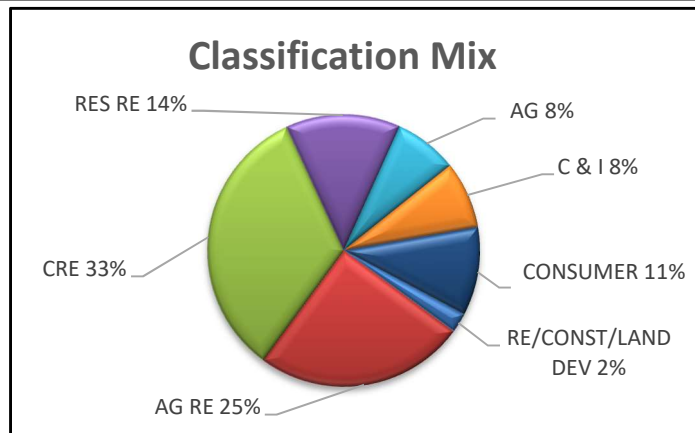


4. Agriculture loans represent more than 20% of total loans in 9 banks examined. The potential exposure to Ag risks in these banks is mostly minimal, but increases are noted in the moderate and substantial categories.



5. The Adversely Classified Items Coverage ratio nominally increased in 4 of the banks examined. Deterioration in existing credits was noted in all 4 banks with lax underwriting also noted in 1 of the banks.

6. The mix of total loan classifications for the 17 banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of CRE loans. Ag RE loan classifications appear as a larger percentage this quarter due, in part, to the number of Ag concentrated banks examined during the quarter.



**OPERATIONAL**

- Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **2** banks, with **none** in the liberal category.
- The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **2** banks, with **none** showing liberal practices.
- Examiners identified funding concentrations in **5** of the banks examined.
- Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
- Examiners noted **3** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to audits and reconciliation procedures.
- Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to FinTech.

