

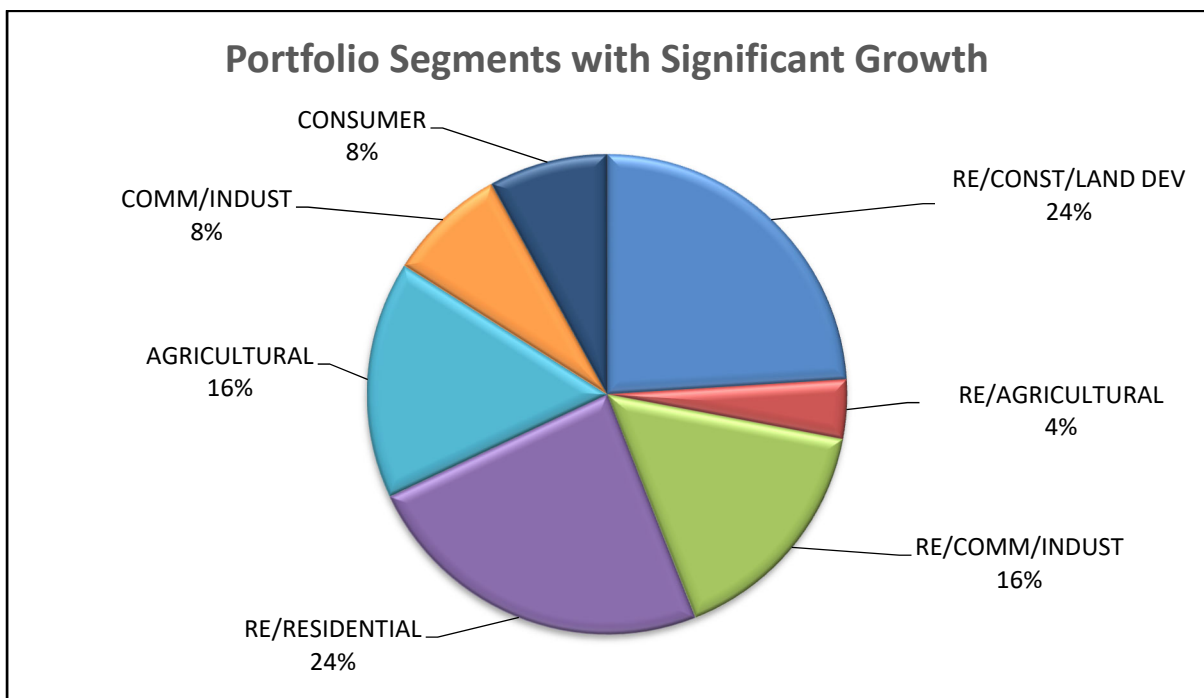
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FOURTH QUARTER 2022**

Number of Banks Examined: **18**

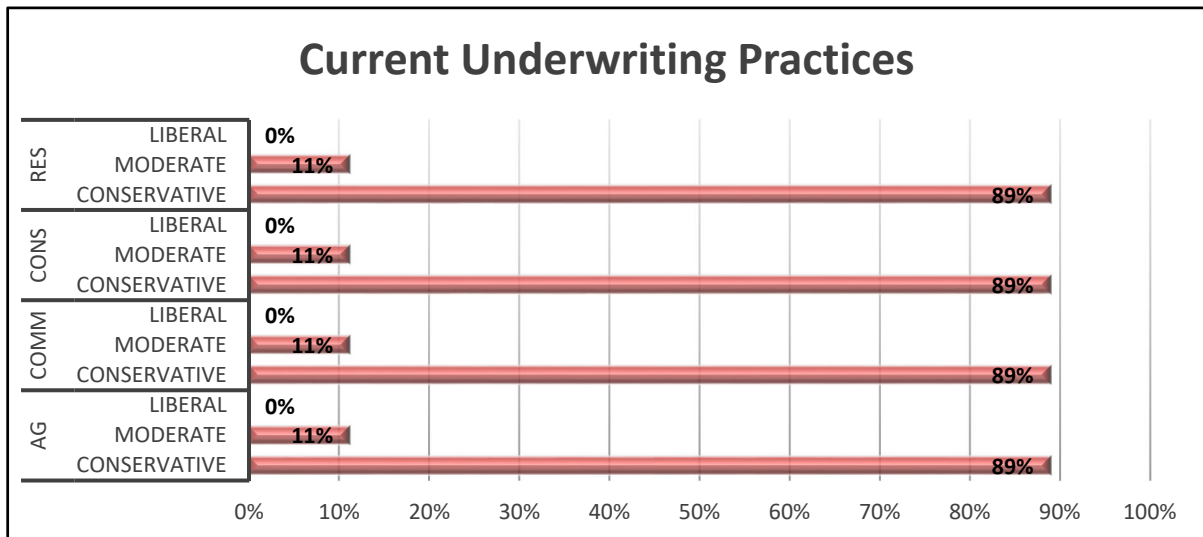
LENDING

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. PPP loans no longer have an impact on any of the growth segments.

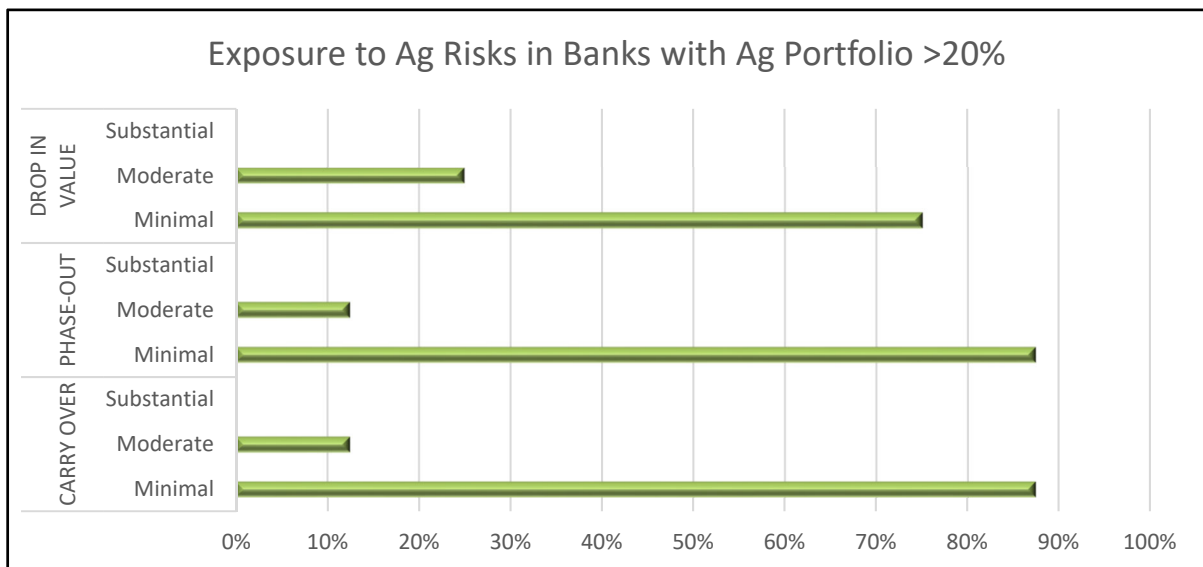


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **1** of the banks during the quarter. Collateral dependency was identified in this bank.

3. 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.

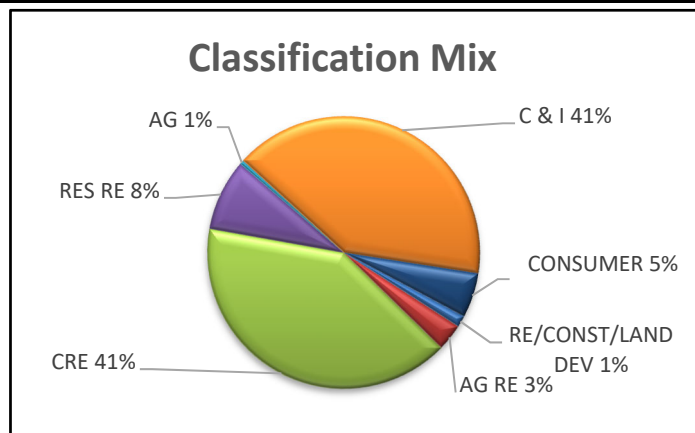


4. Agriculture loans represent more than 20% of total loans in **8** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, with only a few banks noted with moderate risk.



5. The Adversely Classified Items Coverage ratio nominally increased in **4** of the banks examined. All increases were due to deterioration in existing credits.

6. The mix of total loan classifications for the **18** banks is illustrated in the adjacent pie chart. Commercial related loan totals are heavily affected by a large bank reviewed during the quarter that comprised 44 percent of total classifications. Excluding the classifications of this bank results in CRE loans increasing to 56 percent and C&I loans decreasing to 14 percent.



OPERATIONAL

7. 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.
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **3** banks, with **none** showing liberal practices.
9. Examiners identified funding concentrations in **1** of the banks examined.
10. Examiners noted **2** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners noted **4** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to audits, employee account reviews, and BSA compliance procedures.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to a capital markets group.

