

EXAMINER'S BANKING PRACTICES SURVEY

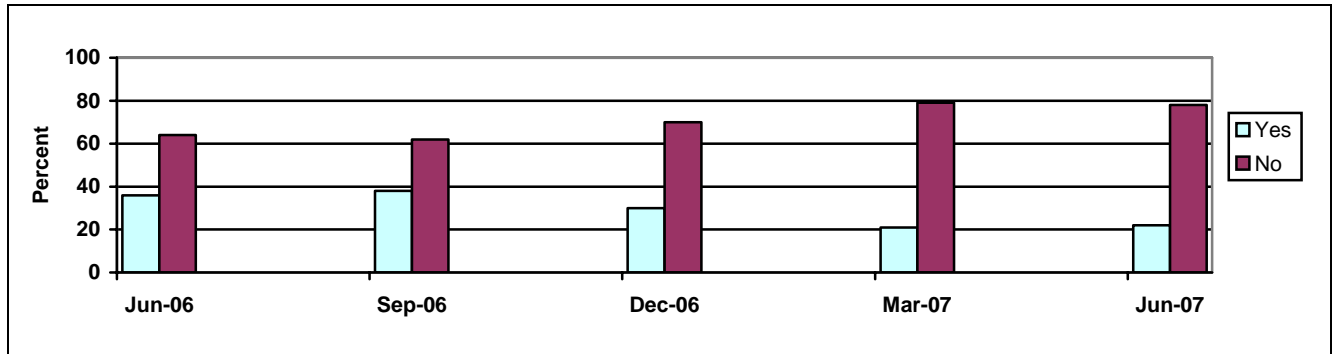
Second Quarter 2007

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Second Quarter 2007** results are compiled from **32** 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	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
RE/Const/Land Devel	27%	26%	38%	29%	29%
RE/Agricultural	23%	16%	0%	6%	9%
RE/Commercial/Indust	11%	21%	31%	12%	19%
RE/Residential	11%	5%	13%	17%	14%
Agricultural	11%	11%	6%	6%	5%
Commercial/Industrial	17%	16%	6%	12%	19%
Consumer	0%	5%	6%	18%	5%

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

	Sep-06		Dec-06		Mar-07		Jun-07	
	Yes 13%	No 87%	Yes 0%	No 100%	Yes 17%	No 83%	Yes 3%	No 97%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	0%		0%		20%		0%	
Dealer paper	100%		0%		80%		0%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	0%		0%		0%		100%	

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

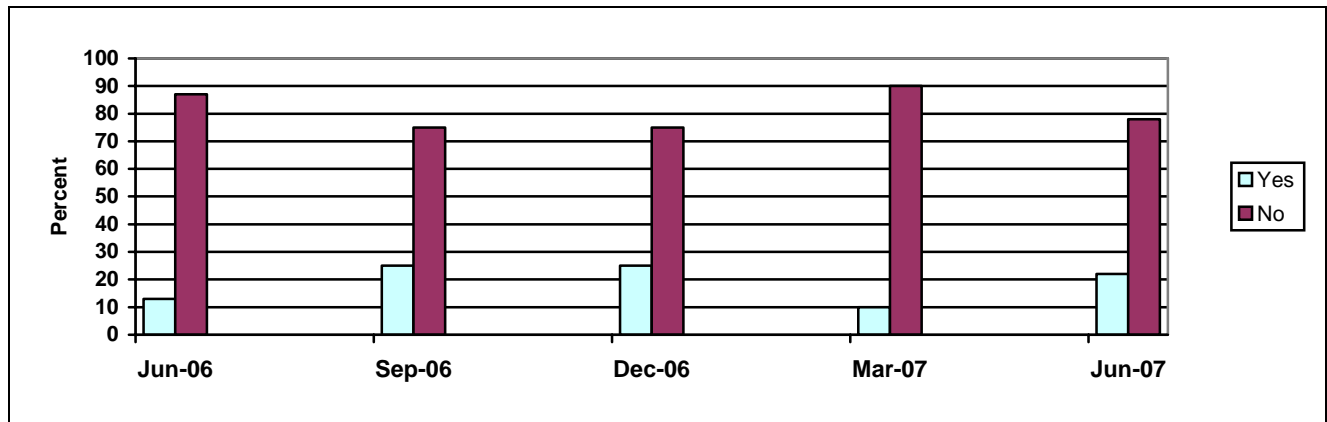
	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Yes	10%	4%	5%	3%	3%
No	90%	96%	95%	97%	97%

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

Of Yes Responses - Loan type	Sep-06		Dec-06		Mar-07		Jun-07	
	Yes 8%	No 92%	Yes 15%	No 85%	Yes 10%	No 90%	Yes 13%	No 87%
Credit card	0%		13%		13%		8%	
Consumer	40%		25%		25%		31%	
Residential mortgage	40%		38%		37%		31%	
Small business	20%		12%		25%		23%	
Other	0%		12%		0%		7%	

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



Of yes responses:

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Making collateral based loans?	44%	44%	31%	37%	22%
Reduced collateral margins?	12%	0%	15%	25%	17%
Not requiring cash flow projections?	22%	44%	23%	13%	27%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	22%	12%	15%	25%	17%
Waiving guarantees or other documentation?	0%	0%	8%	0%	17%
Other	0%	0%	8%	0%	0%

6. Describe potential risk in current underwriting practices for:

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Agricultural Loans					
Minimal	74%	88%	90%	86%	84%
Moderate	23%	12%	10%	14%	16%
Substantial	3%	0%	0%	0%	0%
Commercial Loans					
Minimal	61%	54%	75%	59%	63%
Moderate	32%	46%	20%	38%	28%
Substantial	7%	0%	5%	3%	9%
Consumer Loans					
Minimal	74%	92%	80%	79%	88%
Moderate	26%	4%	20%	21%	9%
Substantial	0%	4%	0%	0%	3%
Residential Loans					
Minimal	77%	92%	80%	72%	78%
Moderate	23%	8%	15%	24%	19%
Substantial	0%	0%	5%	4%	3%

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

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Agricultural Loans					
Minimal	94%	88%	100%	90%	97%
Moderate	3%	8%	0%	10%	3%
Substantial	3%	4%	0%	0%	0%
Commercial Loans					
Minimal	81%	79%	80%	72%	75%
Moderate	16%	17%	15%	21%	22%
Substantial	3%	4%	5%	7%	3%
Consumer Loans					
Minimal	84%	92%	90%	83%	91%
Moderate	16%	4%	10%	14%	9%
Substantial	0%	4%	0%	3%	0%
Residential Loans					
Minimal	93%	96%	85%	79%	84%
Moderate	7%	4%	10%	14%	16%
Substantial	0%	0%	5%	7%	0%

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

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Carryover Debt					
Minimal	77%	88%	80%	93%	88%
Moderate	23%	12%	20%	7%	12%
Substantial	0%	0%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	87%	88%	90%	100%	94%
Moderate	13%	12%	10%	0%	6%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	84%	75%	80%	86%	84%
Moderate	16%	25%	20%	10%	13%
Substantial	0%	0%	0%	4%	3%

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 (%)	Sep-06		Dec-06		Mar-07		Jun-07	
	+	-	+	-	+	-	+	-
Average Inc/(Dec) in Ratio	71%	29%	60%	40%	52%	48%	74%	26%
	5.3	(5.2)	9.6	(3.1)	7.5	(10.1)	14.1	(7.0)
Cause of Increase								
Eased underwriting standards	11%		14%		5%		7%	
Deterioration in new loans	4%		14%		23%		18%	
Deterioration in older loans	61%		50%		52%		43%	
Participations or out-of-territory	0%		0%		0%		5%	
Economic conditions	8%		9%		10%		7%	
Changes in lending personnel	0%		9%		0%		7%	
New types of lending activity	8%		4%		5%		2%	
Other	8%		0%		5%		11%	

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

Loan Type	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
RE/Const/Land Development	4%	11%	32%	19%	21%
RE/Agriculture	2%	2%	3%	6%	3%
RE/Commercial/Industrial	54%	49%	26%	38%	29%
RE/Residential	11%	19%	15%	23%	12%
Agricultural	1%	1%	1%	1%	1%
Commercial/Industrial	25%	15%	18%	8%	31%
Consumer	3%	3%	5%	5%	3%

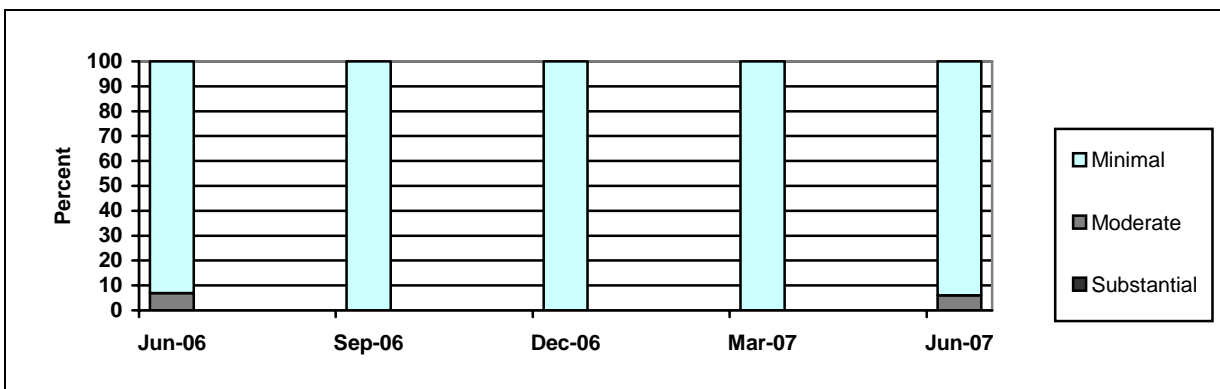
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INVESTMENTS

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

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
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?

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Yes	58%	75%	90%	76%	82%
No	42%	25%	10%	24%	18%
If yes, does the bank actively borrow from the FHLB?					
Yes	89%	72%	83%	73%	81%
No	11%	28%	17%	27%	19%

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

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Yes	10%	8%	10%	0%	6%
No	90%	92%	90%	100%	94%

15. List nontraditional activity the institution is engaged in.

	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07
Yes	81%	83%	85%	76%	81%
No	19%	17%	15%	24%	19%
Of those that do:					
Nondeposit Investment Sales	19%	29%	19%	12%	23%
Insurance Sales	10%	7%	5%	8%	12%
Real Estate Loan Secondary Market Sales	21%	19%	27%	37%	19%
Non-transactional Web Site	6%	10%	8%	5%	6%
Transactional Web Site	44%	33%	41%	35%	38%
Other	0%	2%	0%	3%	2%