



DIVISION OF FINANCE

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Richard J. Weaver
Commissioner of Finance

September 10, 2010

The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of June 30, 2010, 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 decreased by seven from 292 to 285. Two banks and one nondeposit trust company merged into other institutions. Five state chartered banks closed in the twelve month period. There was one new bank charter granted when a national institution converted to a state chartered bank.

Assets in state-chartered banks totaled \$77.0 billion on June 30, 2010, a decrease of 1.3 percent from one year earlier. Deposits were \$62.9 billion, down 0.4 percent. Total loans were \$51.3 billion on June 30, 2010, down 6.4 percent.

The decline in total loans is the result of several factors. One large bank's sale of a number of out of state branches, including the loans originated at those branches, to out of state banks accounted for most of the decline. Many other banks report a lack of loan demand. During the previous 12 months, over one half (143 of 279) of state chartered banks increased loan balances, but these increases were not sufficient to offset the significant decreases reported by the other institutions.

Asset quality remains challenging for Missouri state-chartered banks, but the overall ratio of past due loans to total loans fell from 5.36% at the end of the first quarter to 4.87 percent as of June 30, 2010. Banks continue to strengthen reserves for the adverse effects of the economy on loan portfolios, as Allowances for Loan and Lease Losses increased to 2.27 percent of total loans. Other real estate continues to grow and totaled \$999 million at the end of the second quarter. One year before, other real estate totaled \$770 million. Two years before (June 30, 2008), the total was \$377 million.

The return on assets for the first half of the year was 0.26 percent; however, large losses at three banks heavily influenced this ratio. The return on assets for the remaining 276 banks was 0.67 percent. 102 (or 37 percent) of the 279 banks had a return on assets of 1 percent or more. Provision expense appears to be moderating as the first half of 2010 totaled \$378M, compared to \$456M at June 30, 2009.

A handwritten signature in cursive script that reads "Richard J. Weaver".

Richard J. Weaver
Commissioner of Finance

**COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF JUNE 30, 2010**

THOUSANDS OF DOLLARS	279 BANKS 6/30/2010	285 BANKS 6/30/2009	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$51,299,715	\$54,801,885	(\$3,502,170)	-6.4%
Allowance for Loan Losses	1,163,946	1,070,135	93,811	8.8%
Total Assets	77,012,882	78,039,865	(1,026,983)	-1.3%
LIABILITIES				
Total Deposits	62,863,838	63,100,696	(236,858)	-0.4%
Total Equity Capital	7,802,001	7,840,944	(38,943)	-0.5%

OPERATING RATIOS	6/30/2010	6/30/2009	CHANGE
Equity Capital/Assets	10.13%	10.05%	0.08%
Tangible Equity Capital/Assets	8.88%	8.71%	0.17%
Capital and Allowance for Loan Losses/Assets	11.64%	11.26%	0.38%
Total Loans/Assets	66.61%	70.22%	-3.61%
Past Due and Nonaccrual Loans/Total Loans	4.87%	4.26%	0.61%
Allowance for Loan Losses/Loans	2.27%	1.95%	0.32%
Average Net Interest Margin	3.89%	3.69%	0.20%
Return on Assets	0.26%	-0.20%	0.46%

NOTES:

2009 does not include seven nondeposit trust companies.

2010 does not include six nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF JUNE 30, 2010**

MILLIONS OF DOLLARS	6/30/2010			6/30/2009	PERCENT CHANGE
	279 STATE BANKS	34 NATIONAL BANKS	313 ALL BANKS	321 ALL BANKS	
ASSETS					
Cash and Due from Banks	5,800	3,844	9,644	6,408	50.5%
Investment Securities	13,781	12,869	26,650	22,202	20.0%
Total Loans and Leases	51,300	22,610	73,910	79,624	-7.2%
Less: Reserves	1,164	548	1,712	1,564	9.5%
Federal Funds Sold	740	245	985	3,098	-68.2%
Fixed Assets	1,546	848	2,394	2,492	-3.9%
Other Real Estate	999	273	1,272	874	45.5%
Intangible Assets	962	260	1,222	1,411	-13.4%
Other assets	3,049	946	3,995	3,091	29.2%
TOTAL ASSETS	\$77,013	\$41,347	\$118,360	\$117,636	0.6%
LIABILITIES					
Total Deposits	62,864	33,050	95,914	94,243	1.8%
Deposits over 100M	11,174	4,249	15,423	15,777	-2.2%
Brokered Deposits	4,621	375	4,996	7,039	-29.0%
Federal Funds Purchased	2,252	3,011	5,263	5,350	-1.6%
Other liabilities	4,095	1,707	5,802	6,728	-13.8%
TOTAL EQUITY CAPITAL	7,802	3,579	11,381	11,315	0.6%
TOTAL	\$77,013	\$41,347	\$118,360	\$117,636	0.6%
EARNINGS					
Interest Income	1,748	794	2,542	2,741	-7.3%
Interest Expense	495	154	649	937	-30.7%
Net Interest Income	1,253	640	1,893	1,804	4.9%
Provision for Loan Losses	378	133	511	738	-30.8%
Net Income	100	134	234	-85	-375.3%
Cash Dividends	125	63	188	224	-16.1%
Net Loan Losses	377	130	507	510	-0.6%