

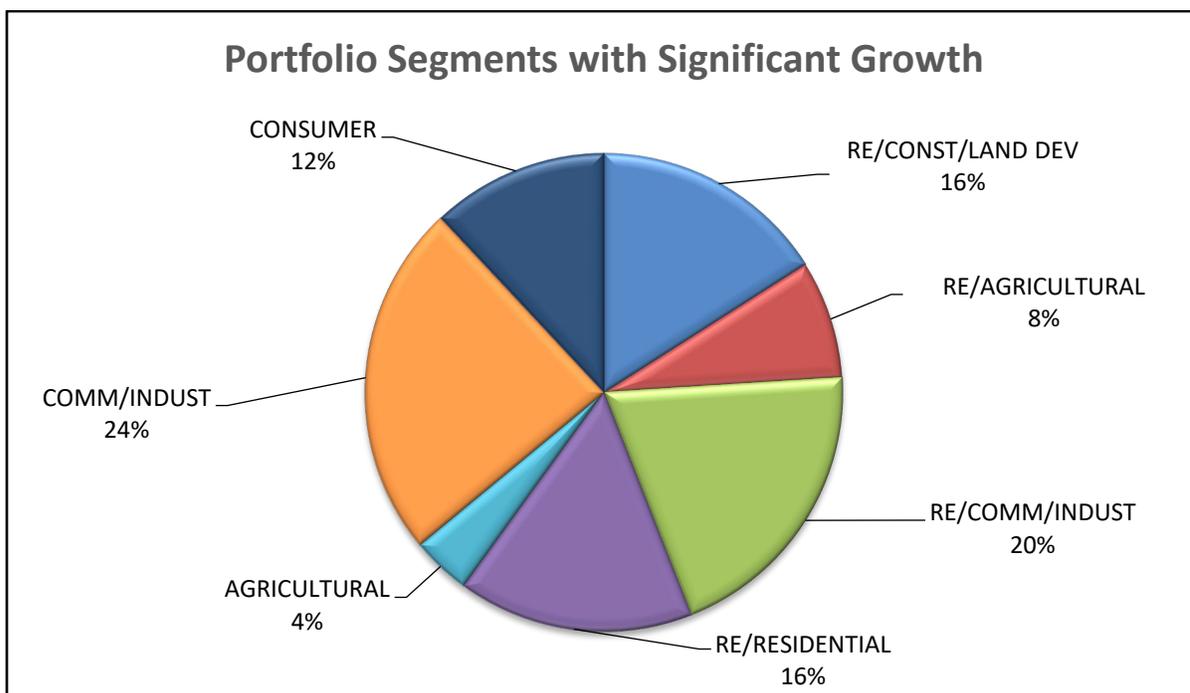
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **SECOND QUARTER 2023**

Number of Banks Examined: **17**

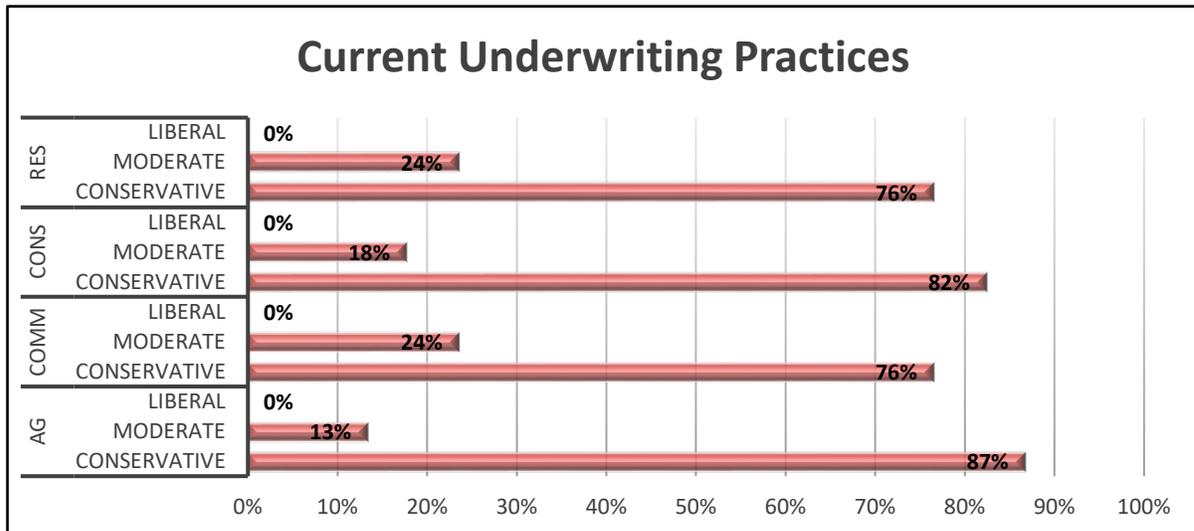
LENDING

1. Since the last examinations, **10** 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 **10** banks for the identified growth.

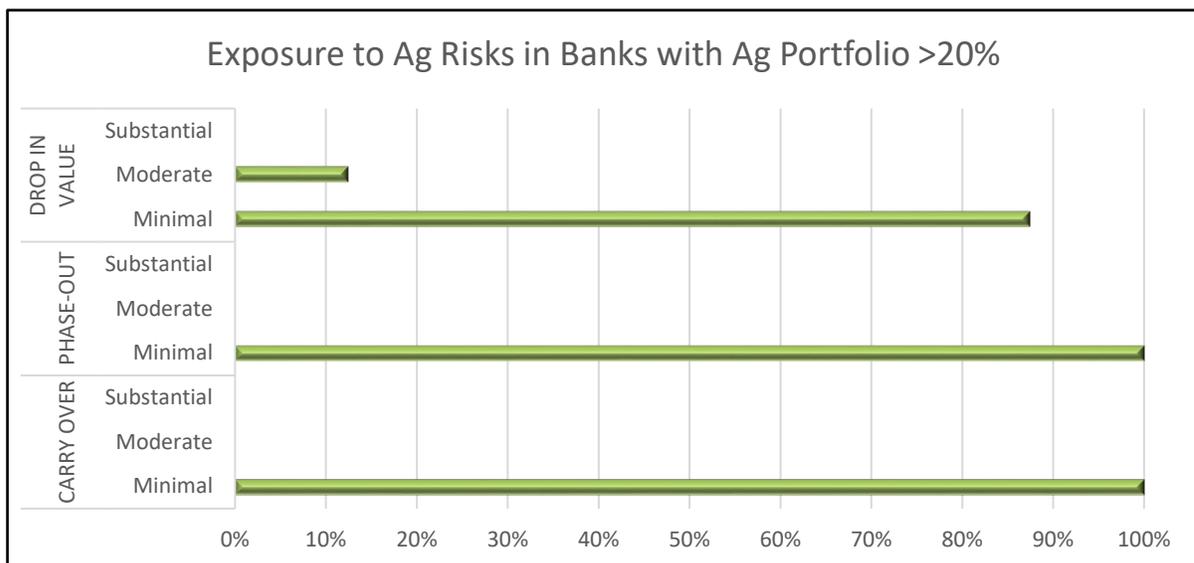


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **2** of the banks during the quarter. Low or no-doc business lending and high LTV loans were identified in these bank.

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.

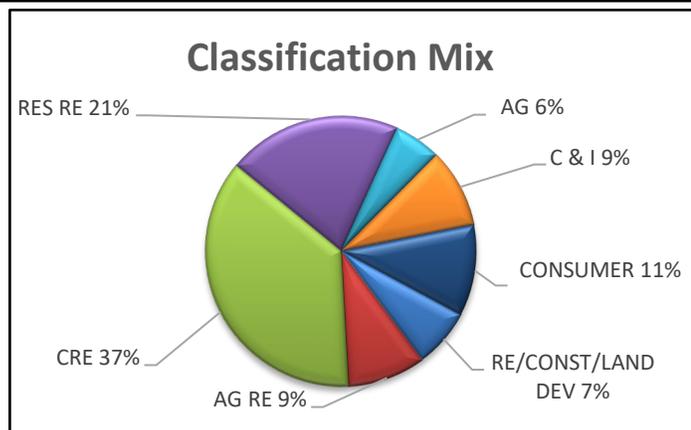


4. Agriculture loans represent more than 20% of total loans in **8** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, but moderate risk related to a drop in land values was noted in **1** bank.



5. The Adversely Classified Items Coverage ratio increased in **9** of the banks examined. The average increase of these banks was around 4%. Deterioration in existing credits was noted in the majority of these 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.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **3** 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 **5** banks, with **none** showing liberal practices.
9. Examiners identified funding concentrations in **4** of the banks examined.
10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners noted **2** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to audits, correspondent accounts, and official checks.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to solar related loans and leasing.

