

EXAMINER'S BANKING PRACTICES SURVEY RESULTS

Division of Finance
State of Missouri

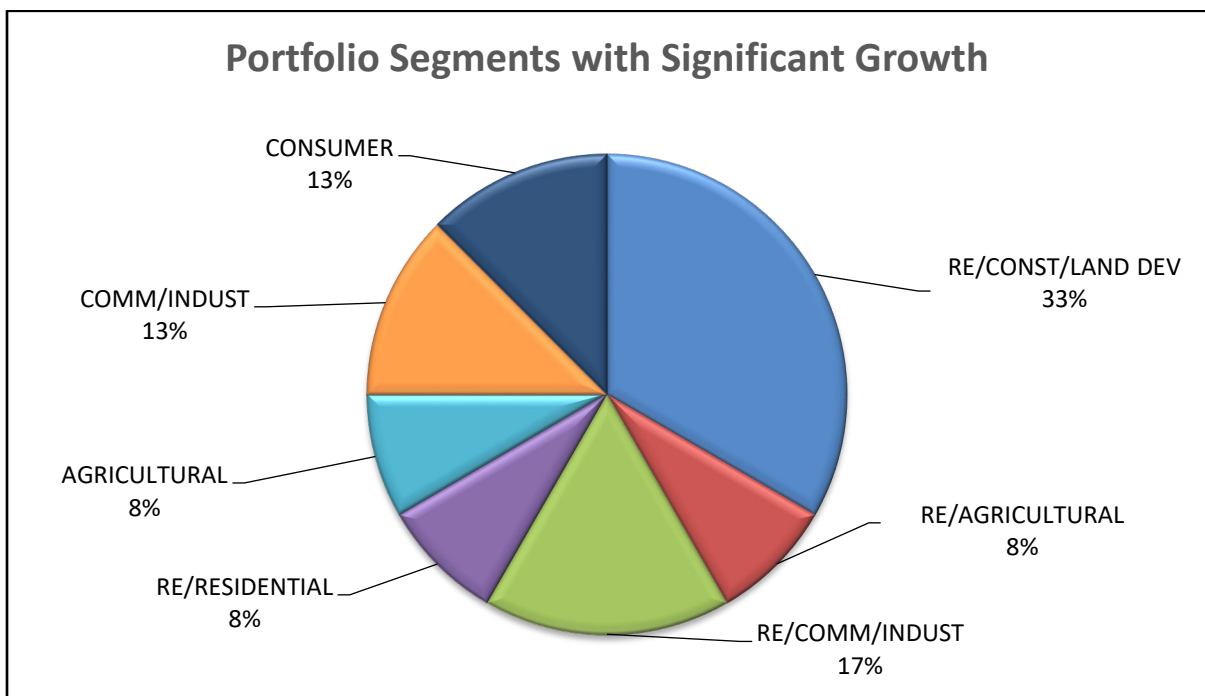
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **THIRD QUARTER 2024**

Number of Banks Examined: **18**

LENDING

1. Since their last examinations, **13** 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 **13** banks for the identified growth with the largest in the construction and land development sector.

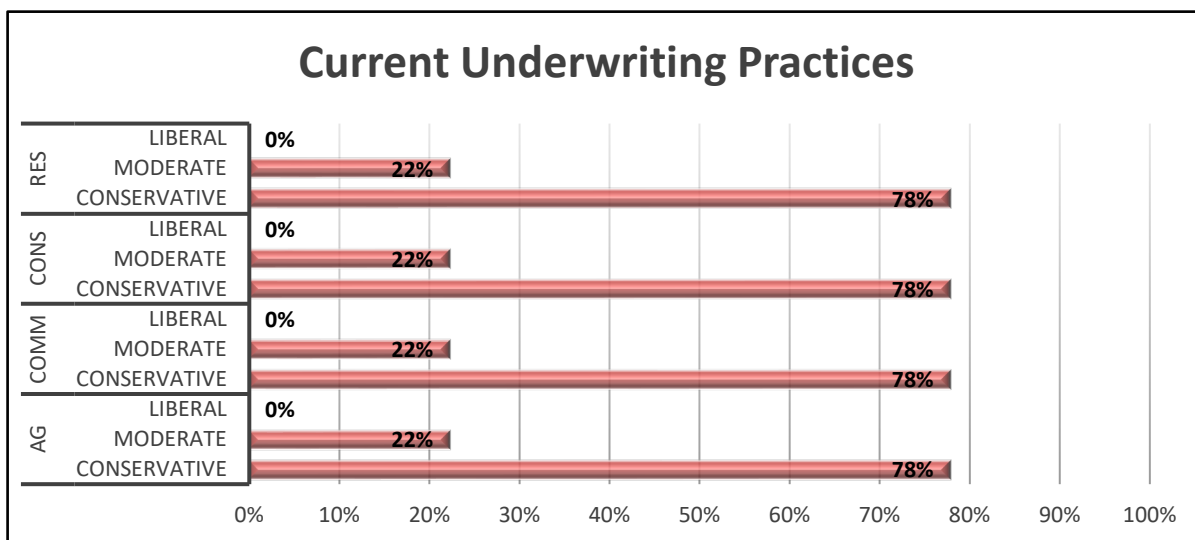


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was **not** noted in any of the banks examined during the quarter. Risks identified include limited cash flow analysis and collateral dependency.

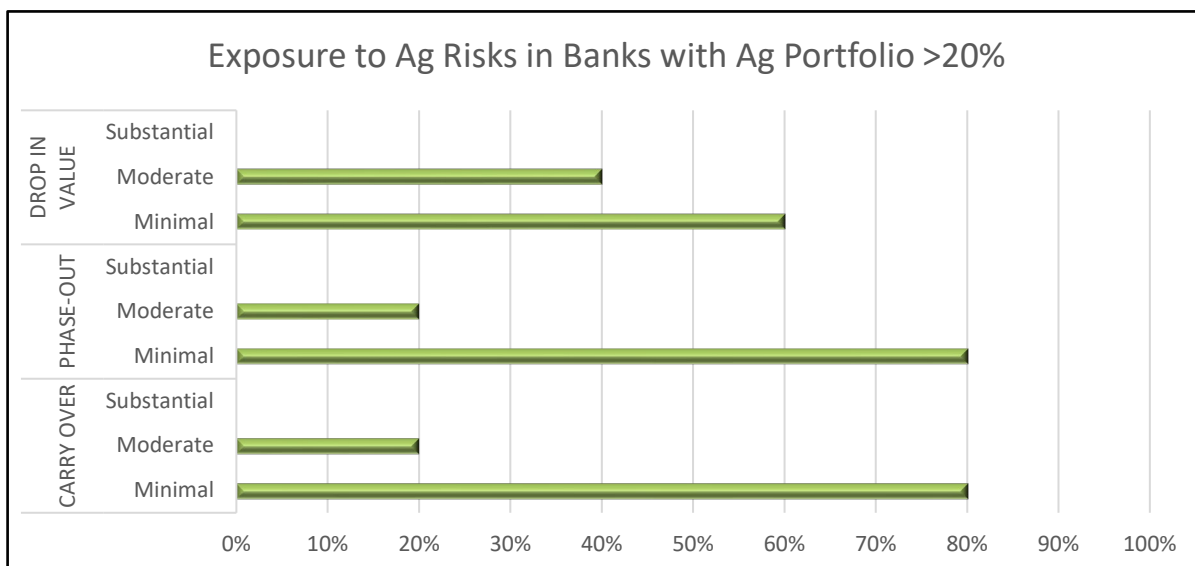
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3. The majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. Liberal underwriting practices were not identified. The following graph reflects the level of underwriting practices observed in each of the four main lending areas.



4. Agriculture loans represent more than 20% of total loans in **5** banks examined. Overall, the potential exposure to Ag risks in these banks remains mostly minimal. Some moderate risk is noted in each category, with drop in land value having the greatest percentage of moderate risk. Substantial risks were not identified.

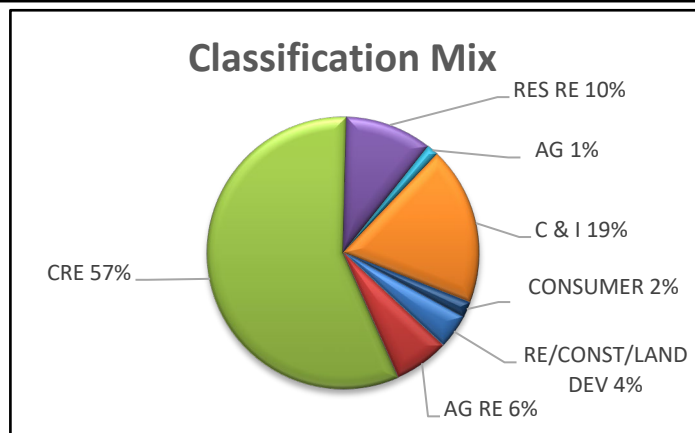


5. The Adversely Classified Items Coverage ratio increased in **half** of the banks examined. Deterioration in existing credits was noted as the primary factor.

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6. The mix of total loan classifications for the **18** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of commercial related credits.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. A bank was noted to have moderate risk, and another bank was noted as being 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 **4** banks, with **1** exhibiting liberal practices.
9. Examiners identified a funding concentration in **4** of the banks examined. This level increased from only **1** bank in the prior quarter.
10. Examiners noted **1** bank that holds a significant position in off-balance sheet derivatives. Significant is considered 10% or more of total assets.
11. Examiners noted **2** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses identified in one bank related to segregation of duties within reconcilements, while widespread issues were noted in the other.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below.

