



DIVISION OF FINANCE

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Richard J. Weaver
Commissioner of Finance

March 8, 2013

The attached report represents a consolidation of Reports of Condition and Income filed by state-chartered banks with the Missouri Division of Finance as of December 31, 2012, 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 ten from 280 to 270. Eight banks merged into other institutions. Four state-chartered banks closed in 2012. Two new bank charters were granted when national institutions converted to state-chartered banks.

Assets in state-chartered banks totaled \$96.1 billion on December 31, 2012, an increase of 3.2 percent from one year earlier. Deposits were \$80.7 billion, up 3.9 percent. Total loans were \$55.0 billion on December 31, 2012, up 0.6 percent. Total assets in Missouri state-chartered banks have more than doubled in the last ten years as 303 banks held assets of \$46.6 billion on December 31, 2002.

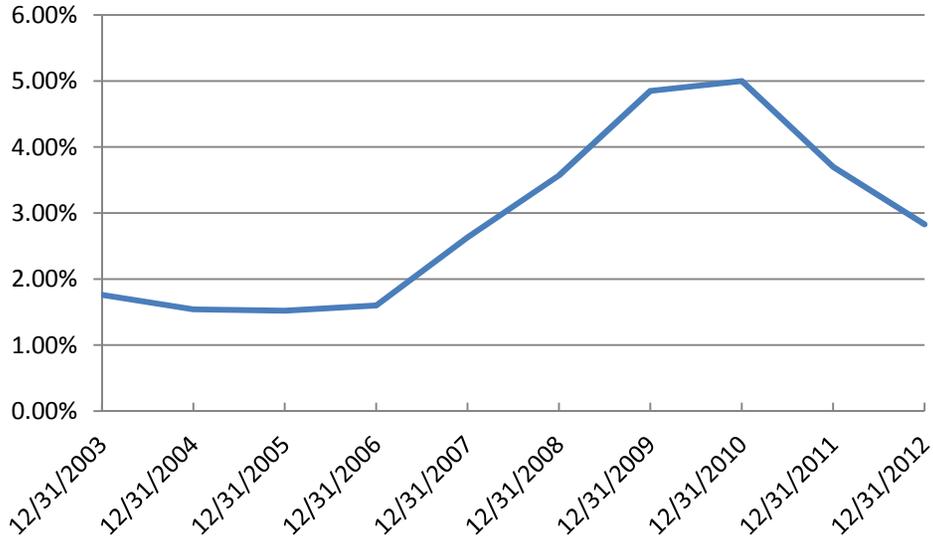
The overall condition of Missouri state-chartered banks continued to improve in 2012. The attached graphs illustrate improvement in several component areas. Asset quality has improved since last year, with the past due ratio declining to 2.83 percent from 3.70 percent one year earlier. The average level of past due loans and other real estate in relation to capital and reserves also continues to improve, but remains above pre-recession levels. Earnings performance continues to improve as the Return on Assets has risen to 0.99 percent, the highest year end ratio since 2006. Missouri state-chartered banks have maintained a steady net interest margin over the last 10 years, evidencing more conservative loan and deposit pricing than all banks in the nation as a whole. As of December 31, 2012, the net interest margin for Missouri state-chartered banks was 3.92 percent. As of December 31, 2012, the nationwide average net interest margin for all commercial banks was 3.33 percent. Although a slight decline is noted, the Allowance for Loan and Lease Losses remains strong at 1.89 percent of total loans. This reflects the improvement in asset quality.

Capital continues to strengthen and Tier 1 Leverage Capital increased to just under 10 percent of total assets, the highest year end ratio since 2008.

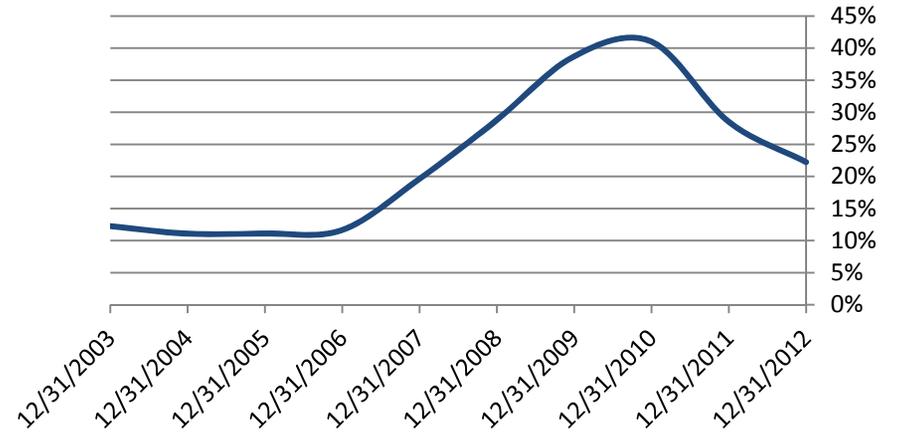
A handwritten signature in cursive script that reads "Richard J. Weaver".

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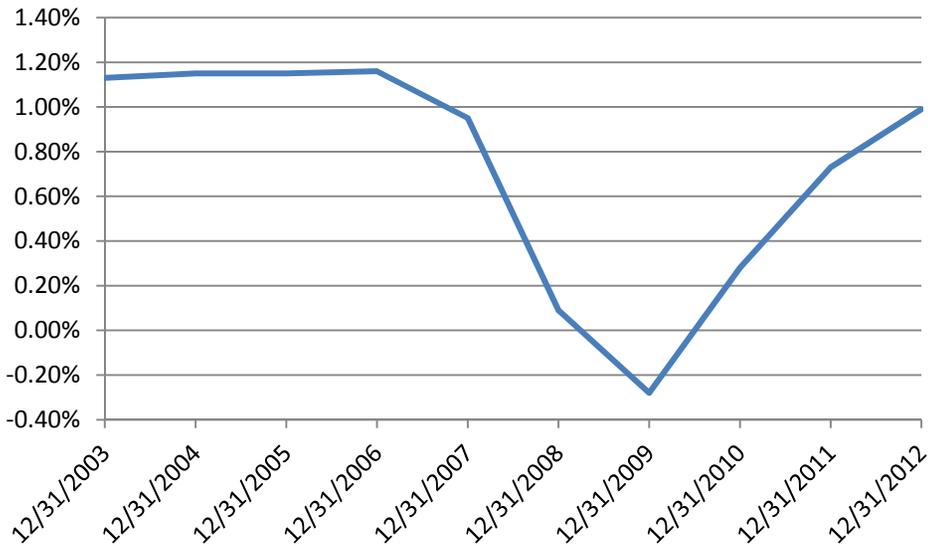
PAST DUE LOANS TO TOTAL LOANS



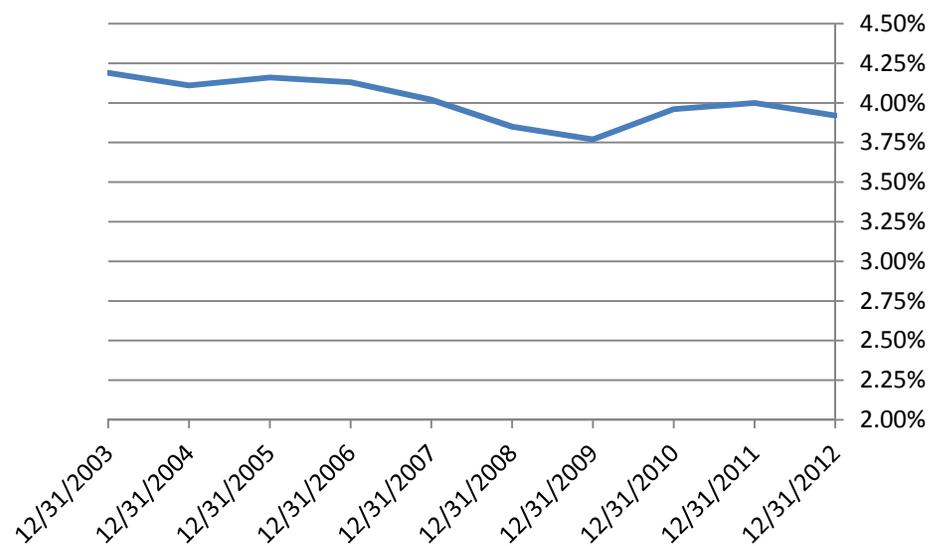
PAST DUE & NONACCRUAL LOANS + ORE TO TIER 1 CAPITAL AND RESERVES



RETURN ON ASSETS



NET INTEREST MARGIN



**COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF DECEMBER 31, 2012**

MILLIONS OF DOLLARS	12/31/2012			12/31/2011	PERCENT CHANGE
	265 STATE BANKS	27 NATIONAL BANKS	292 ALL BANKS	303 ALL BANKS	
ASSETS					
Cash and Due from Banks	6,826	2,796	9,622	9,965	-3.4%
Investment Securities	27,776	11,100	38,876	34,603	12.3%
Total Loans and Leases	54,954	13,553	68,507	66,933	2.4%
Less: Reserves	1,036	201	1,237	1,342	-7.8%
Federal Funds Sold	1,902	309	2,211	1,893	16.8%
Fixed Assets	1,884	573	2,457	2,391	2.8%
Other Real Estate	799	151	950	1,122	-15.3%
Intangible Assets	661	256	917	869	5.5%
Other assets	2,341	596	2,937	3,154	-6.9%
TOTAL ASSETS	\$96,107	\$29,133	\$125,240	\$119,588	4.7%
LIABILITIES					
Total Deposits	80,660	23,488	104,148	98,757	5.5%
Deposits over 250M	3,436	856	4,292	4,944	-13.2%
Brokered Deposits	4,734	232	4,966	3,821	30.0%
Federal Funds Purchased	2,988	2,283	5,271	5,472	-3.7%
Other liabilities	2,907	383	3,290	3,539	-7.0%
Total Equity Capital	9,552	2,979	12,531	11,820	6.0%
TOTAL LIABILITIES	\$96,107	\$29,133	\$125,240	\$119,588	4.7%
EARNINGS					
Interest Income	3,615	936	4,551	4,695	-3.1%
Interest Expense	488	89	577	794	-27.3%
Net Interest Income	3,127	847	3,974	3,901	1.9%
Provision for Loan Losses	317	71	388	597	-35.0%
Net Income	931	211	1,142	883	29.3%
Cash Dividends	618	119	737	549	34.2%
Net Loan Losses	375	68	443	681	-34.9%

**COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF DECEMBER 31, 2012**

THOUSANDS OF DOLLARS	265 BANKS 12/31/2012	274 BANKS 12/31/2011	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$54,953,643	\$54,643,713	\$309,930	0.6%
Allowance for Loan Losses	1,036,402	1,151,065	(114,663)	-10.0%
Total Assets	96,107,008	93,094,442	3,012,566	3.2%
LIABILITIES				
Total Deposits	80,660,444	77,628,337	3,032,107	3.9%
Total Equity Capital	9,552,423	9,157,069	395,354	4.3%

OPERATING RATIOS	12/31/2012	12/31/2011	CHANGE
Equity Capital/Assets	9.94%	9.84%	0.10%
Tangible Equity Capital/Assets	9.32%	9.19%	0.13%
Capital and Allowance for Loan Losses/Assets	10.90%	10.94%	-0.04%
Total Loans/Assets	57.18%	58.70%	-1.52%
Past Due and Nonaccrual Loans/Total Loans	2.83%	3.70%	-0.87%
Allowance for Loan Losses/Loans	1.89%	2.11%	-0.22%
Average Net Interest Margin	3.92%	4.00%	-0.08%
Return on Assets	0.99%	0.73%	0.26%

NOTES:

Above data does not include six nondeposit trust companies.