

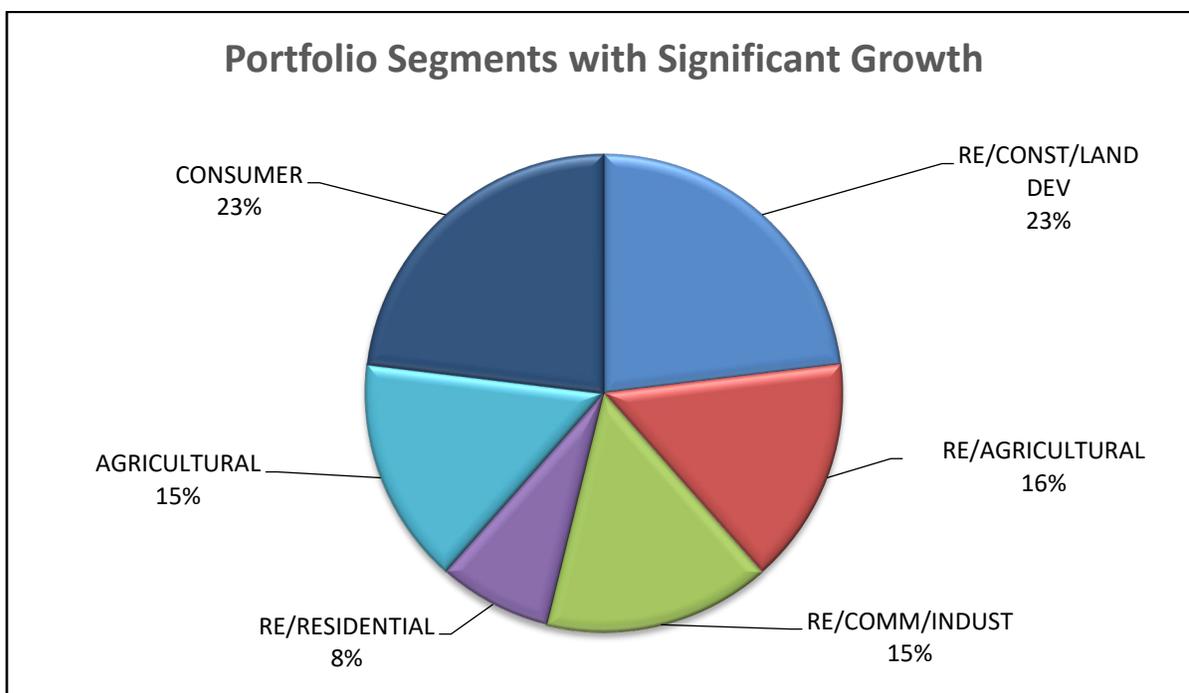
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FIRST QUARTER 2022**

Number of Banks Examined: **14**

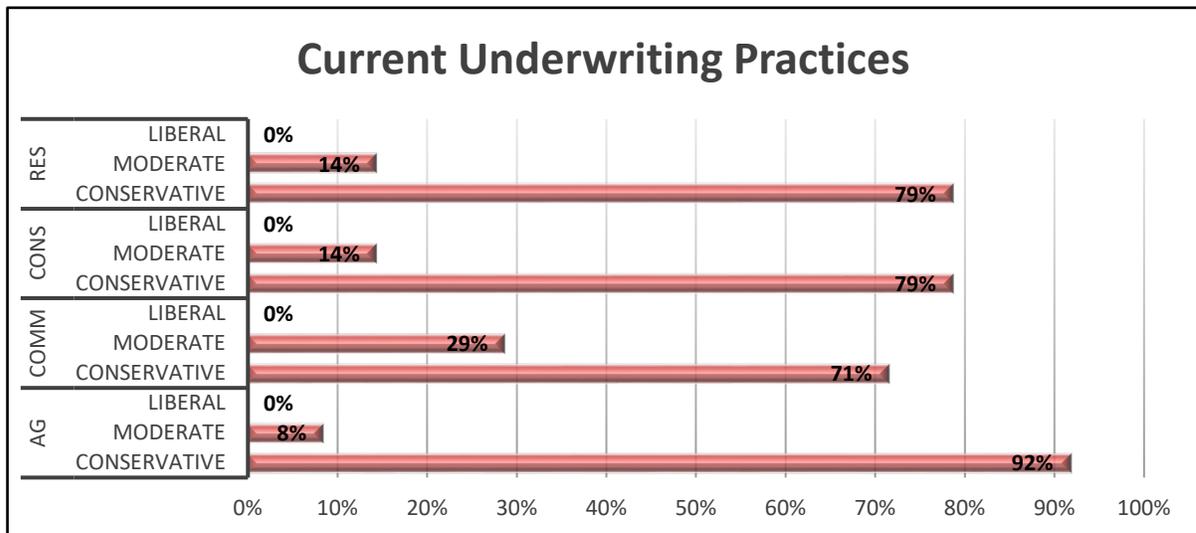
LENDING

1. Since the last examinations, **6** 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 **6** banks for the identified growth. PPP loans no longer have an impact on any of the growth segments.

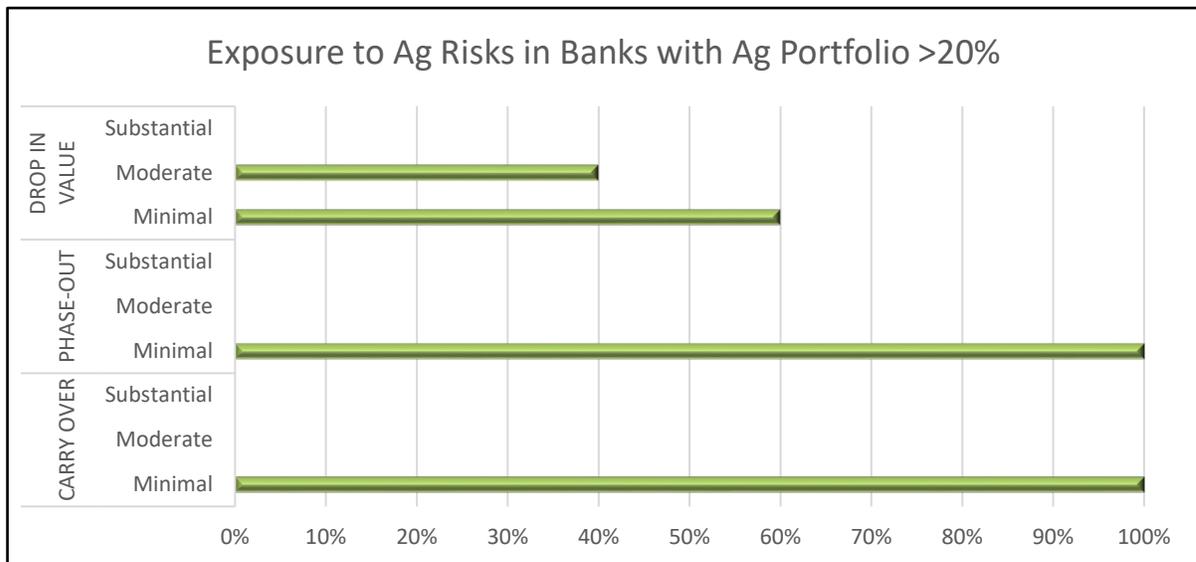


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in only **1** of the banks during the quarter. Collateral dependence, lack of cash flow analysis, and liberal repayment terms were cited.

3. 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.

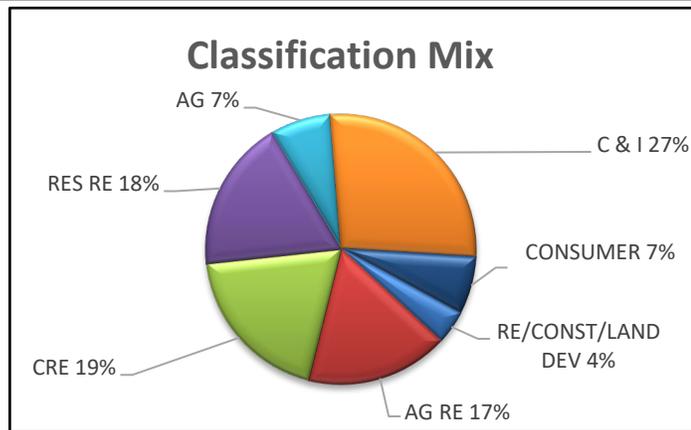


4. Agriculture loans represent more than 20% of total loans in 5 banks examined. The potential exposure to Ag risks in these banks is mostly minimal.



5. The Adversely Classified Items Coverage ratio increased in only 1 of the banks examined. The increase was nominal and due to a decline in capital levels.

6. The mix of total loan classifications for **13** of the banks is illustrated in the adjacent pie chart. A large bank is excluded as it consisted mostly of C&I loans and heavily affected the overall percentages. With this bank excluded, classifications are more diversified, but remain mostly concentrated in commercial related 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 **2** 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 **1** bank, with **none** showing liberal risk.
9. Examinations identified funding concentrations in **none** of the banks examined.
10. Examinations noted **1** bank that holds a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners noted **1** bank during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to cash and expense account procedures.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity includes prepaid debit cards.

