

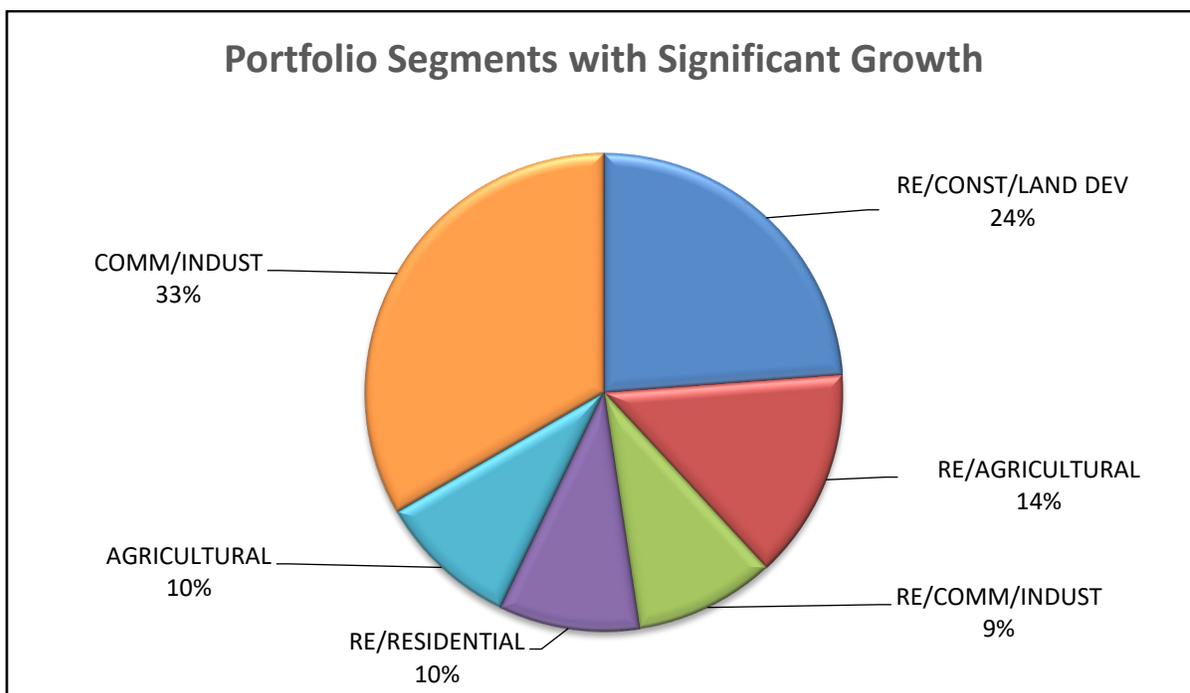
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FIRST QUARTER 2024**

Number of Banks Examined: **20**

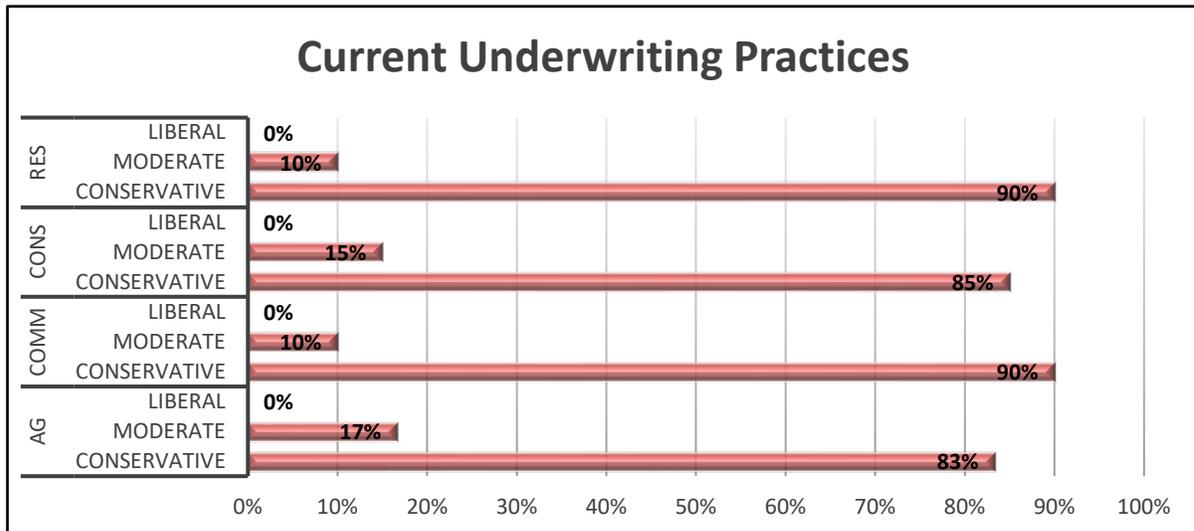
LENDING

1. Since their 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.

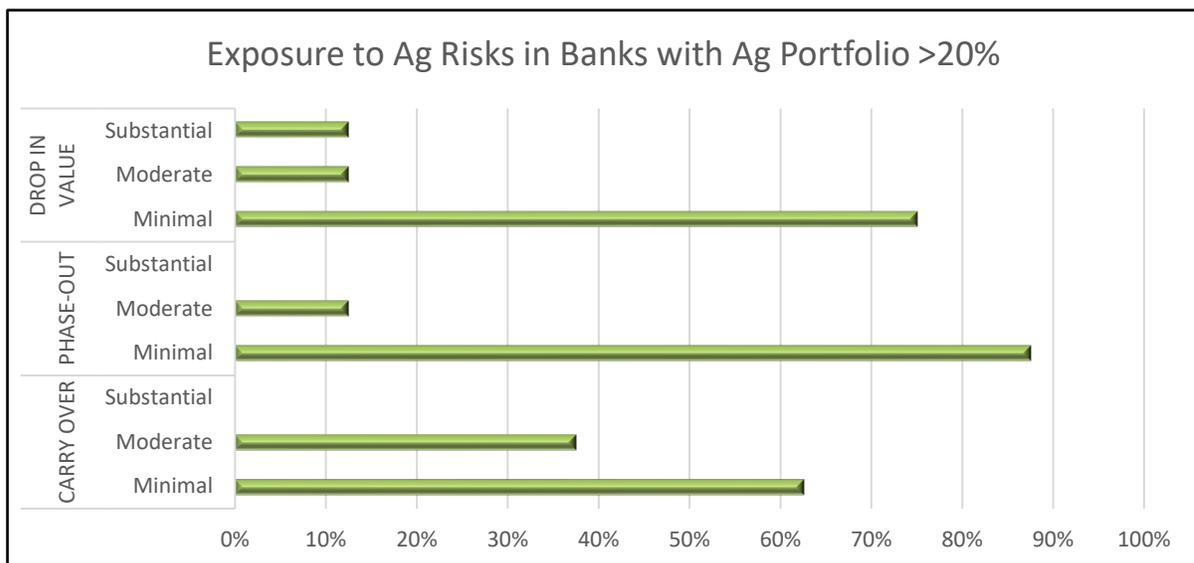


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **2** of the banks during the quarter. Risks identified include a lack of cash flow projections and collateral dependency.

3. Though some moderate practices were identified, the majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. No liberal underwriting practices were identified. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

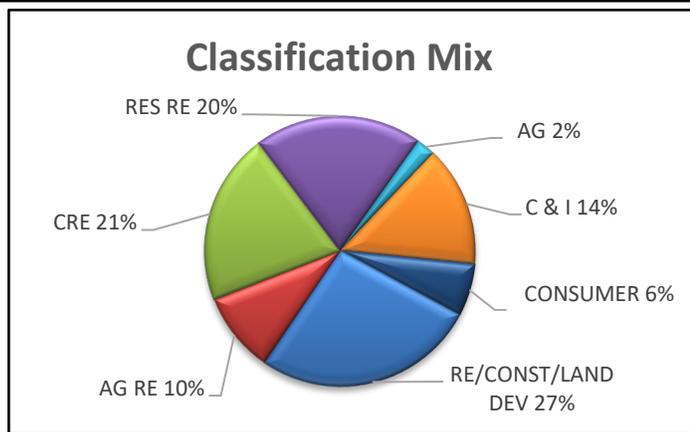


4. Agriculture loans represent more than 20% of total loans in **8** banks examined. Overall, the potential exposure to Ag risks in these banks remains mostly minimal. Increased risk related to a drop in land values is identified, with **1** bank in the substantial risk category.



5. The Adversely Classified Items Coverage ratio increased in **10** of the banks examined. Deterioration in existing credits was noted as the main factor.

6. The mix of total loan classifications for the 20 banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of commercial related credits, though the banks examined this quarter held an increased amount in real estate, construction, and land development loans. These are also the categories with the largest growth from question #1.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **4** 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 **4** banks, with **1** exhibiting liberal practices.
9. Examiners identified funding concentrations in **6** of the banks examined.
10. Examiners noted **1** bank that holds a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners noted only **6** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses identified were related to the audit environment, employee account review, due from controls, expense accounts, and segregation of duties.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below.

