

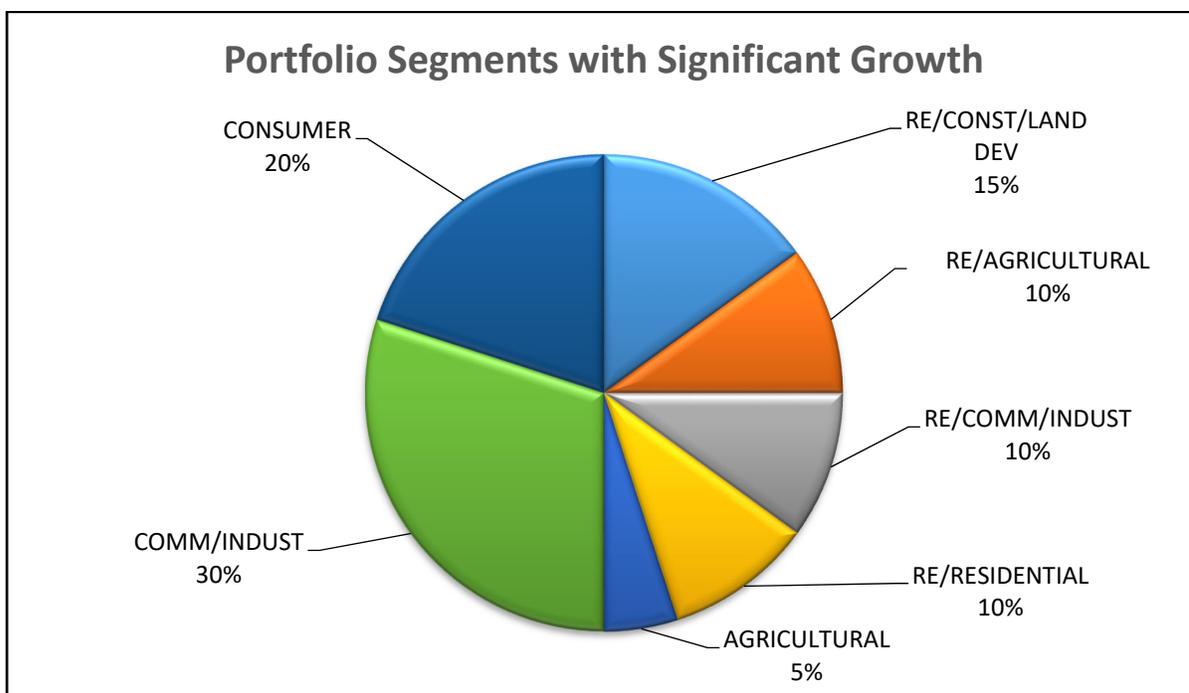
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **THIRD QUARTER 2021**

Number of Banks Examined: **24**

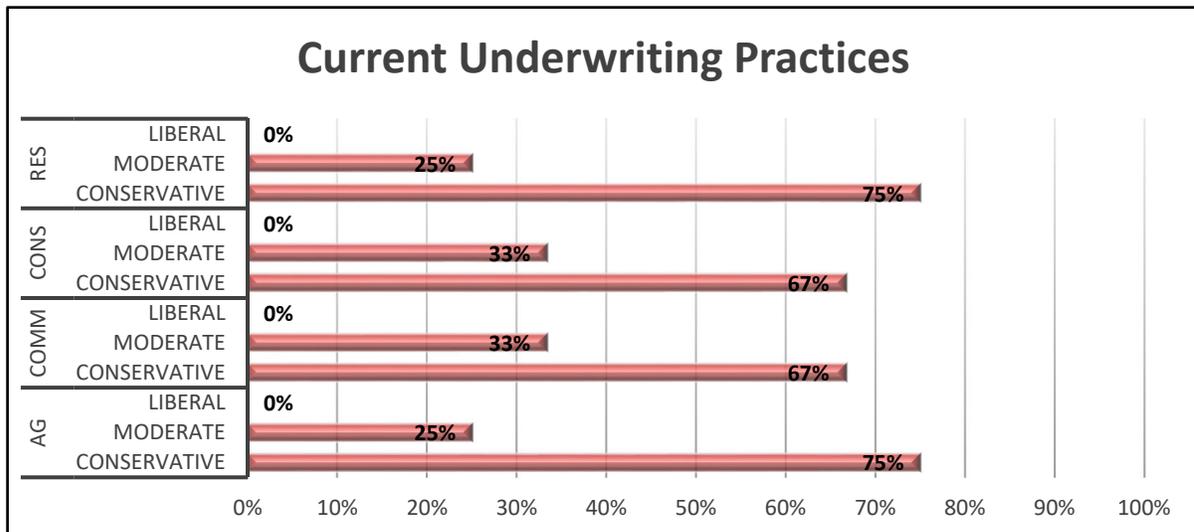
LENDING

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. A majority of the growth recognized by these banks was related to PPP loans.

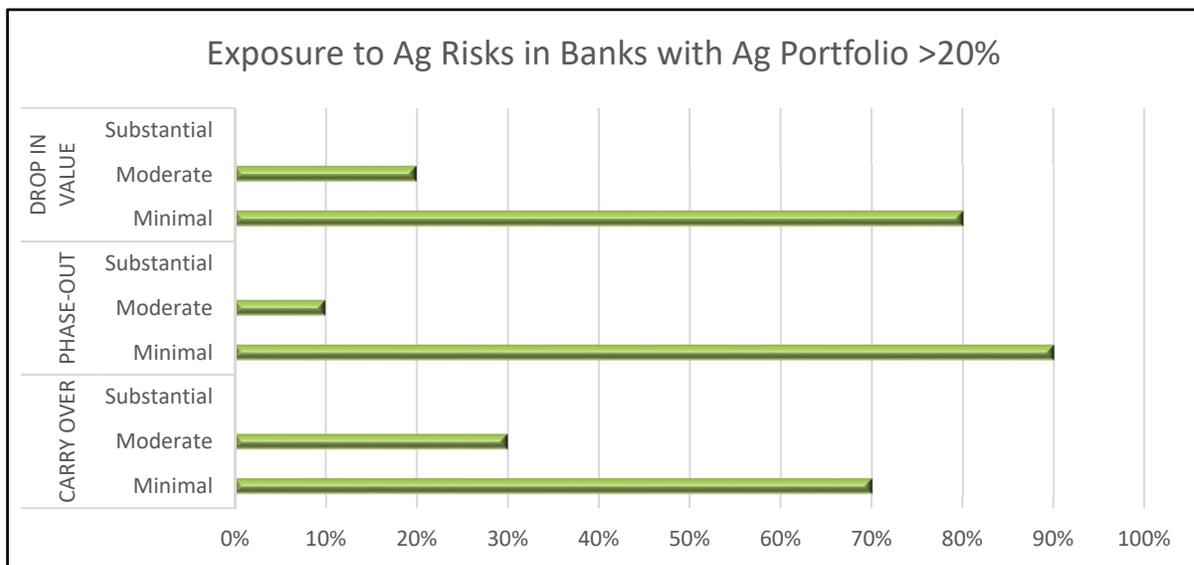


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits were noted in **2** of the **10** banks during the quarter. Dependence on collateral with limited cash flow analysis and waiving of guarantees were identified.

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.

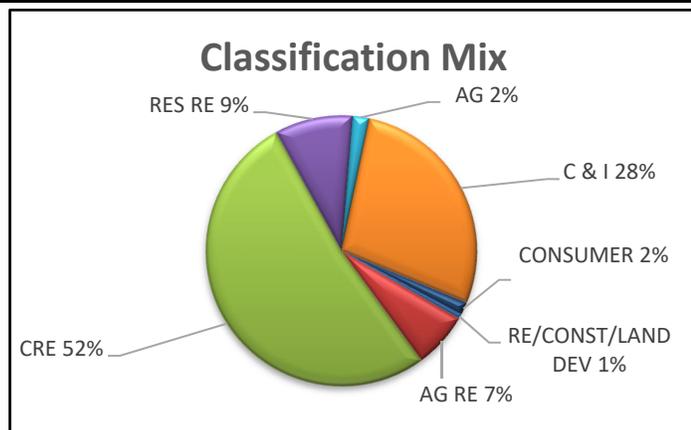


4. Agriculture loans represent more than 20% of total loans in **10** banks examined. The potential exposure to Ag risks in these banks is mostly minimal.



5. The Adversely Classified Items Coverage ratio increased in **5** of the banks examined. Most increases were nominal, and the primary reasons cited included deterioration in existing loans and economic conditions.

6. The mix of total loan classifications for **24** of the banks is illustrated in the adjacent pie chart. Classifications continue to be largely in CRE and C&I loans.



OPERATIONAL

7. Banks examined during the quarter primarily exhibit conservative policies and practices in relation to investments. Only **2** banks were considered to have moderate risk, with **none** in the liberal category.
8. Banks examined during the quarter exhibited mainly conservative funds management policies and practices. **4** banks were identified as moderate, with **none** in the liberal category.
9. Examinations identified funding concentrations in **2** of the banks examined.
10. Examinations noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners noted **3** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to the audit environment and account reconciliation procedures.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity included MRBs and leveraged lending.

