

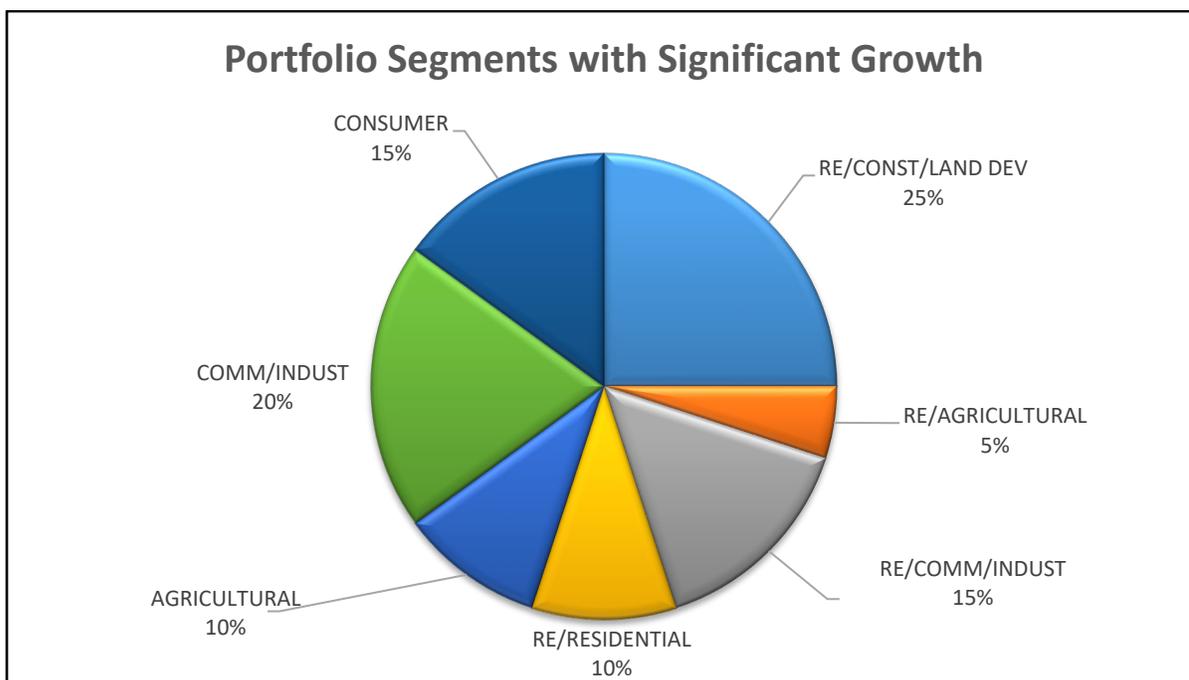
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FOURTH QUARTER 2019**

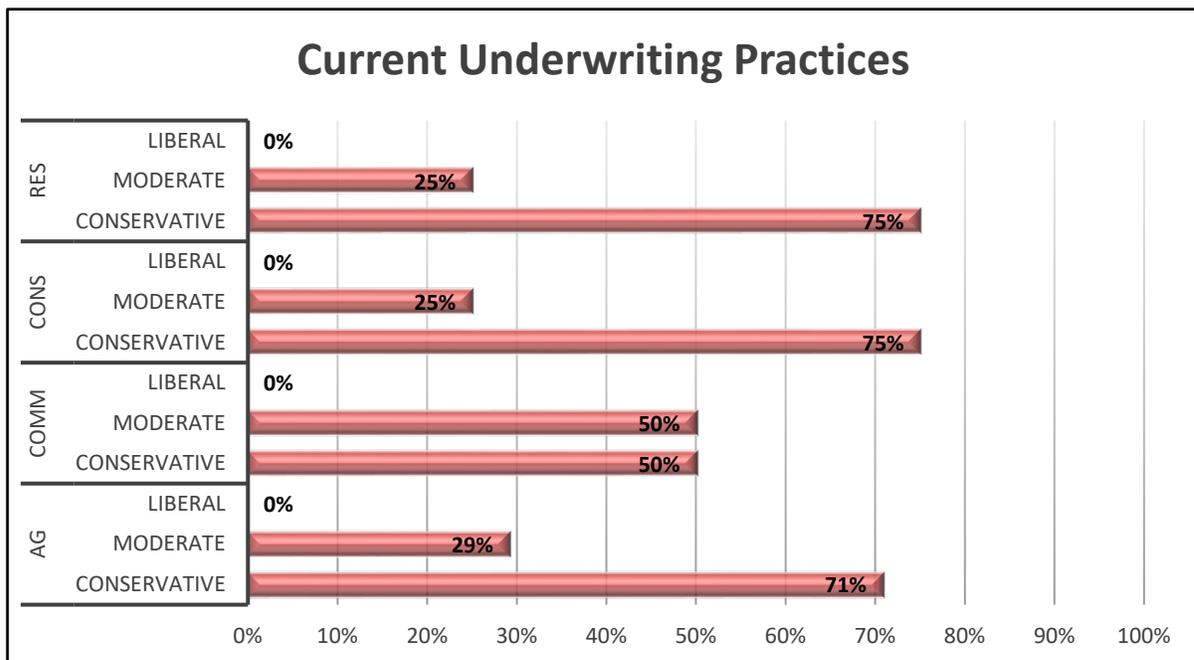
Number of Banks Examined: **24**

LENDING

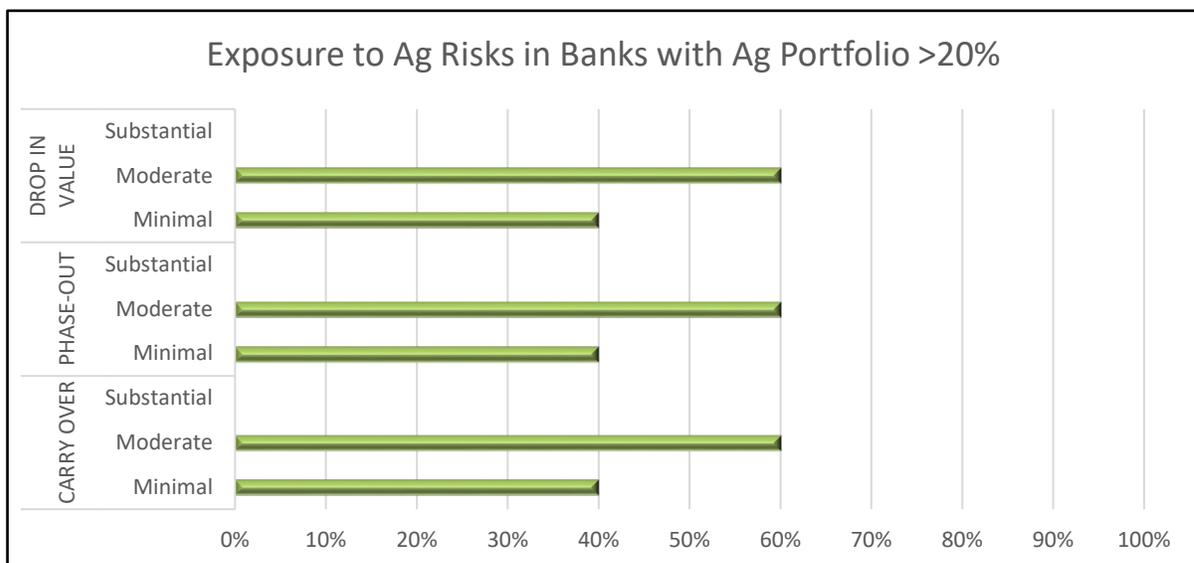
1. Since the last examinations, **8** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **8** banks for the identified growth.



2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits were noted in **0** banks during the quarter.
3. The majority of the banks examined in this quarter remain conservative in underwriting practices across most loan types reviewed. Moderate underwriting practices are more prevalent in commercial loans. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

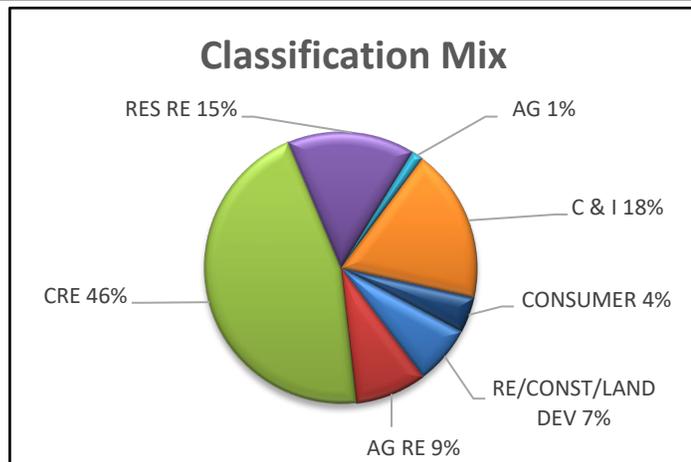


4. Agriculture loans represent more than 20% of total loans in 5 banks examined. The potential exposure to Ag risks in these banks is mostly moderate in all areas as shown below.



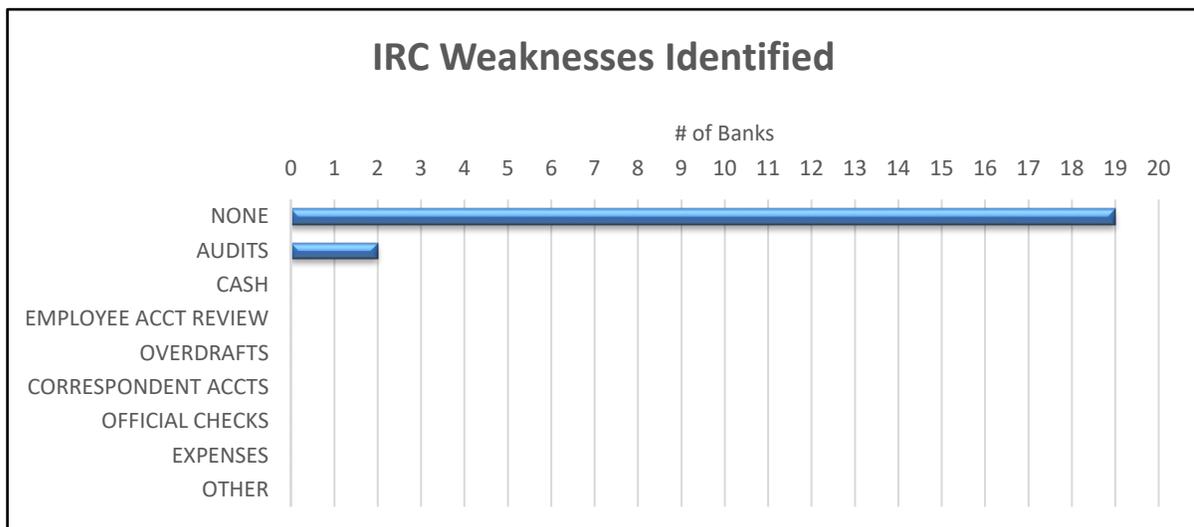
5. The Adversely Classified Items Coverage ratio increased in 10 of the banks examined. The most prominent reason for these increases was deterioration in existing loans, comprising 73%.

6. The mix of total loan classifications for all **24** banks is illustrated in the adjacent pie chart. CRE loans make up the majority of classifications with C&I and Res RE the next two largest segments. These segments combined comprise nearly 79% of total classifications in the banks examined.



OPERATIONAL

7. Banks examined during the quarter primarily exhibit conservative policies and practices in relation to investments. Only **4** banks were considered to have moderate risk, with none in the liberal category.
8. Banks examined during the quarter also exhibited mainly conservative policies and practices in relation to funds management. **6** banks were identified as moderate with none in the liberal category.
9. Examinations identified funding concentrations in **1** of the banks examined.
10. Examinations identified **3** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. The overall level of banks with Internal Routine and Control weaknesses is limited. The chart below represents the frequency that the following types of IRC weaknesses were observed.



12. Several of the banks examined engage in nontraditional activities. The following chart shows the types of activity observed.

