

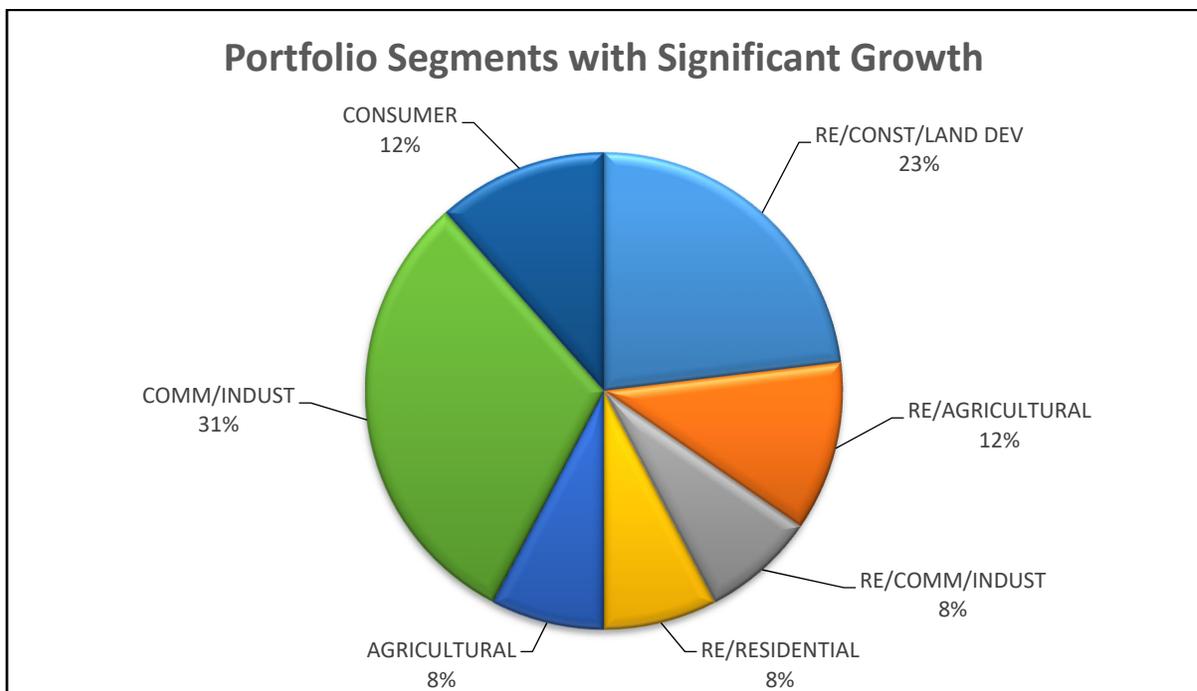
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FOURTH QUARTER 2020**

Number of Banks Examined: **21**

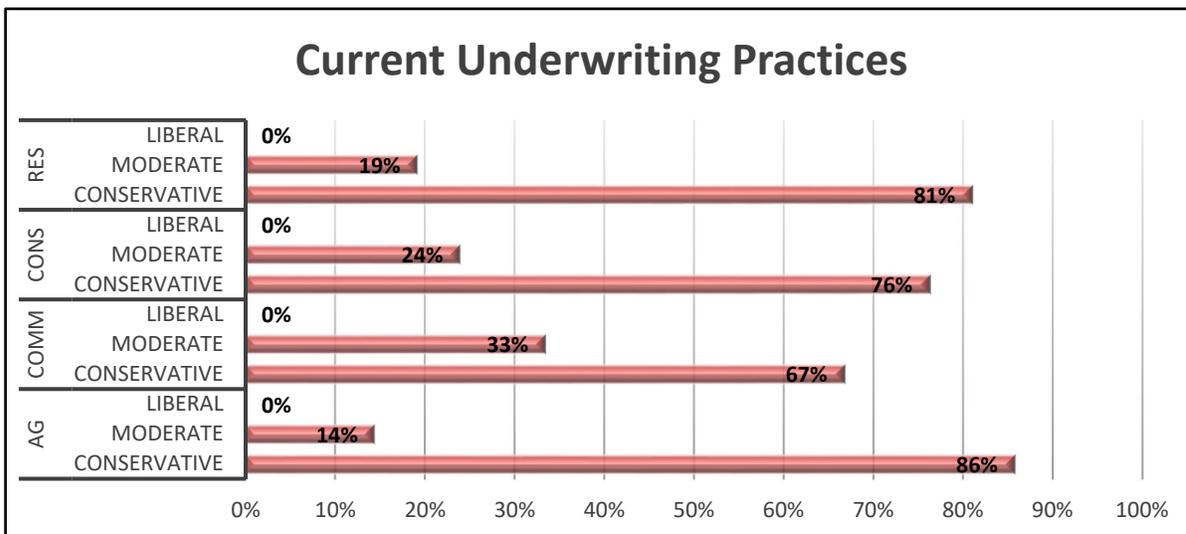
LENDING

1. Since the last examinations, **15** 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 **15** banks for the identified growth. A majority of the growth recognized by these banks was related to PPP loans.

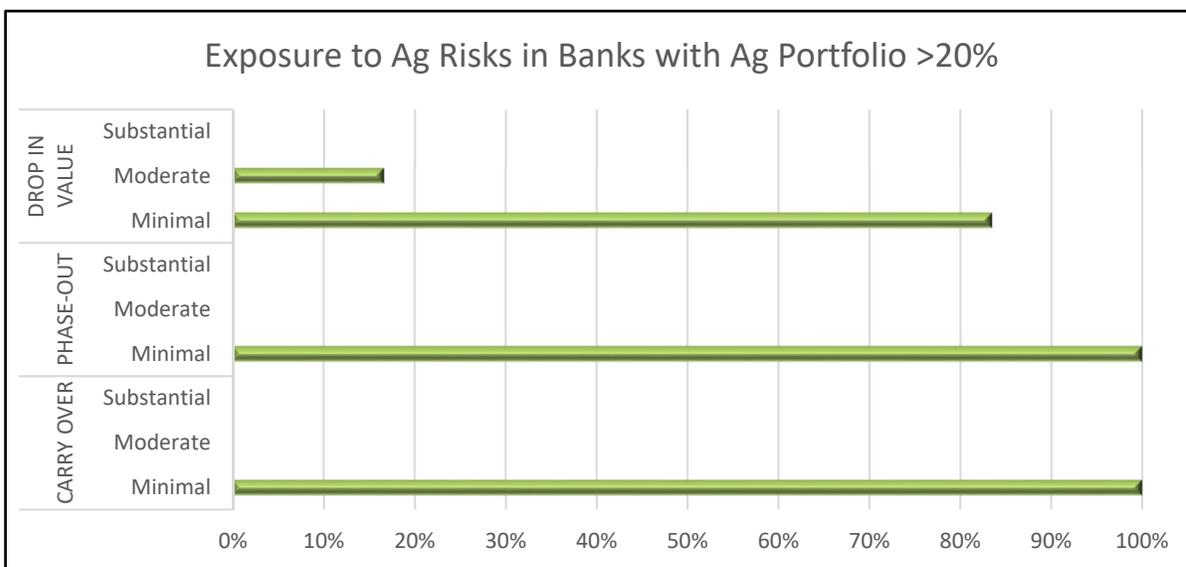


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits were noted in **1** of the banks during the quarter. Examiners noted a lack of cash flow analysis.

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.

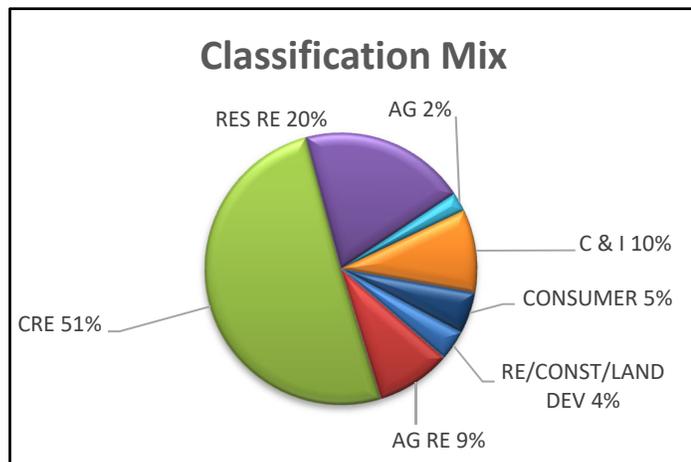


4. Agriculture loans represent more than 20% of total loans in 6 banks examined. The potential exposure to Ag risks in these banks is mostly minimal.



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

6. The mix of total loan classifications for **20** of the banks is illustrated in the adjacent pie chart. A large institution was excluded due to its size significantly influencing the percentages in the C&I category. Classifications at the remaining banks continue to be largely in CRE loans.



OPERATIONAL

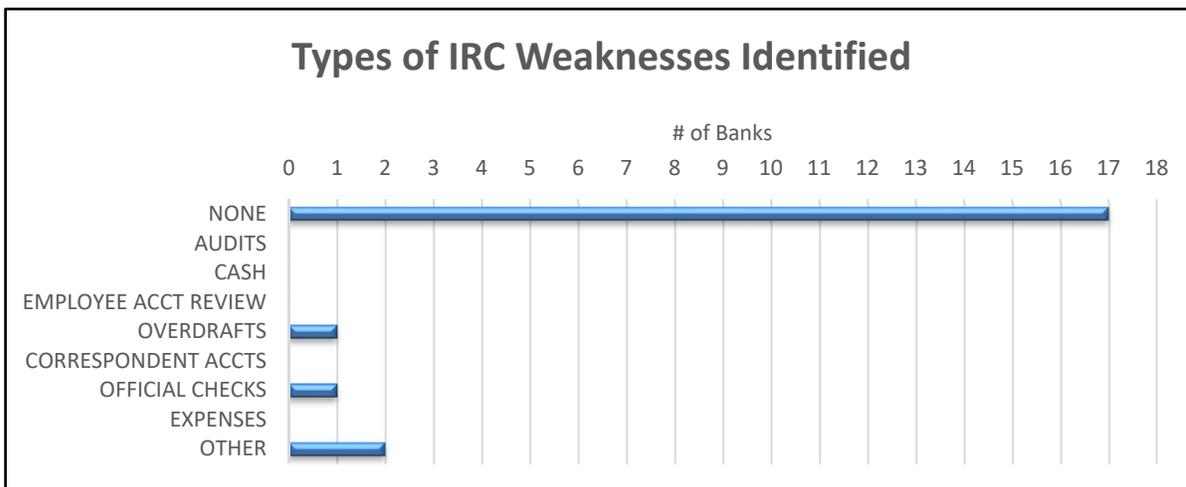
7. Banks examined during the quarter primarily exhibit conservative policies and practices in relation to investments. Only **4** banks were considered to have moderate risk, with **none** in the liberal category.

8. Banks examined during the quarter also exhibited mainly conservative policies and practices in relation to funds management. **4** 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 **no** banks that holds 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. Both banks in the other category had weaknesses noted in account reconciling.



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

