

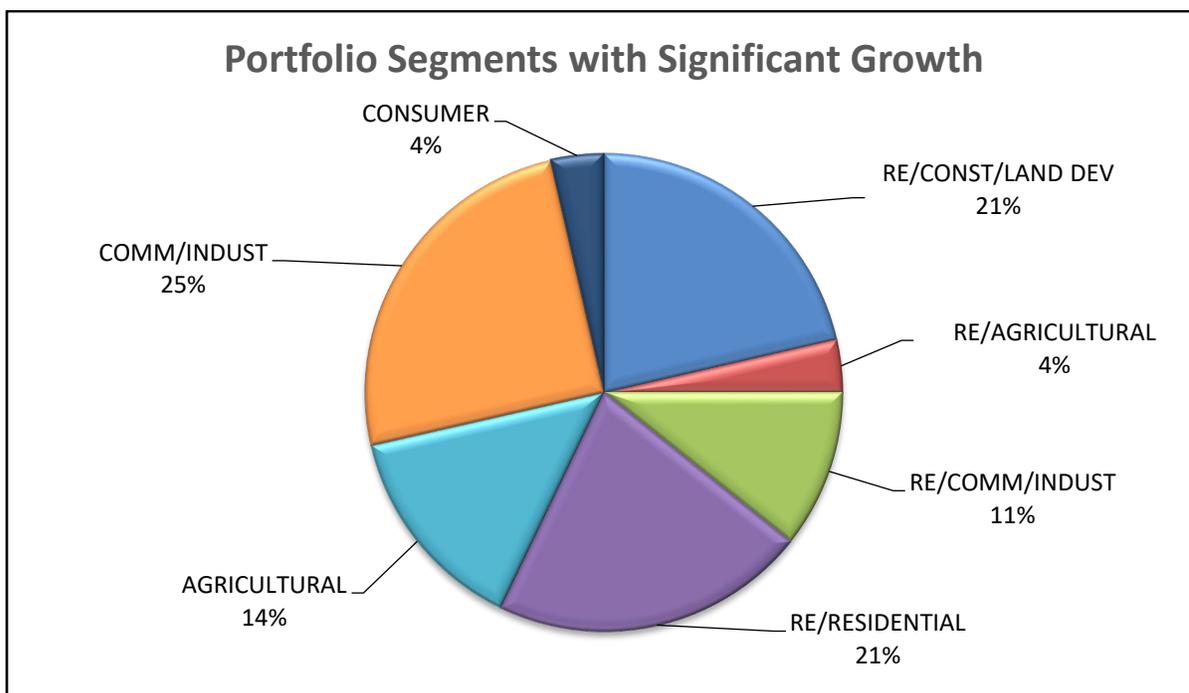
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FOURTH QUARTER 2023**

Number of Banks Examined: **19**

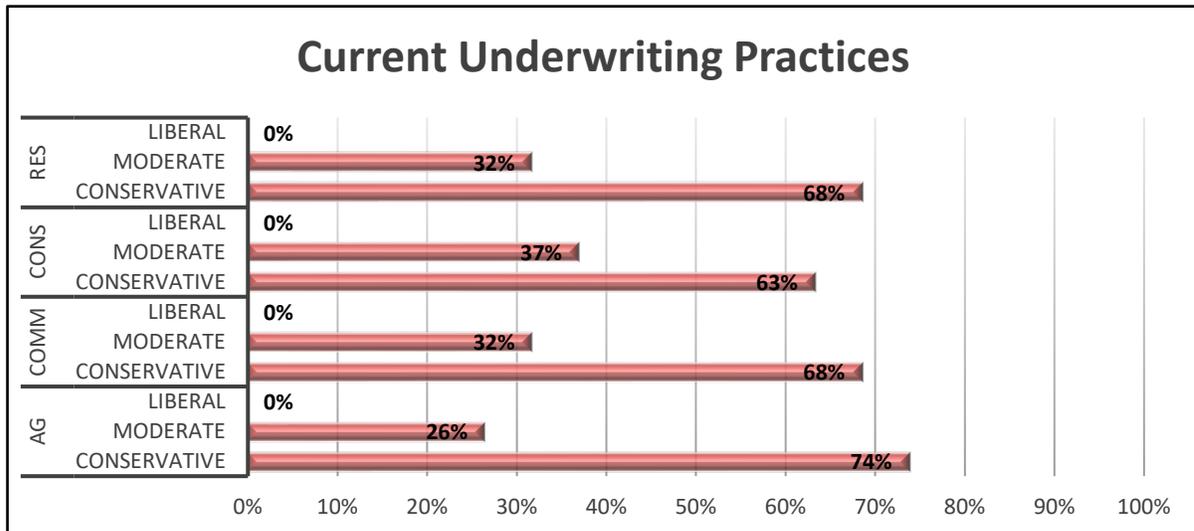
LENDING

1. Since their last examinations, **11** 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 **11** banks for the identified growth.

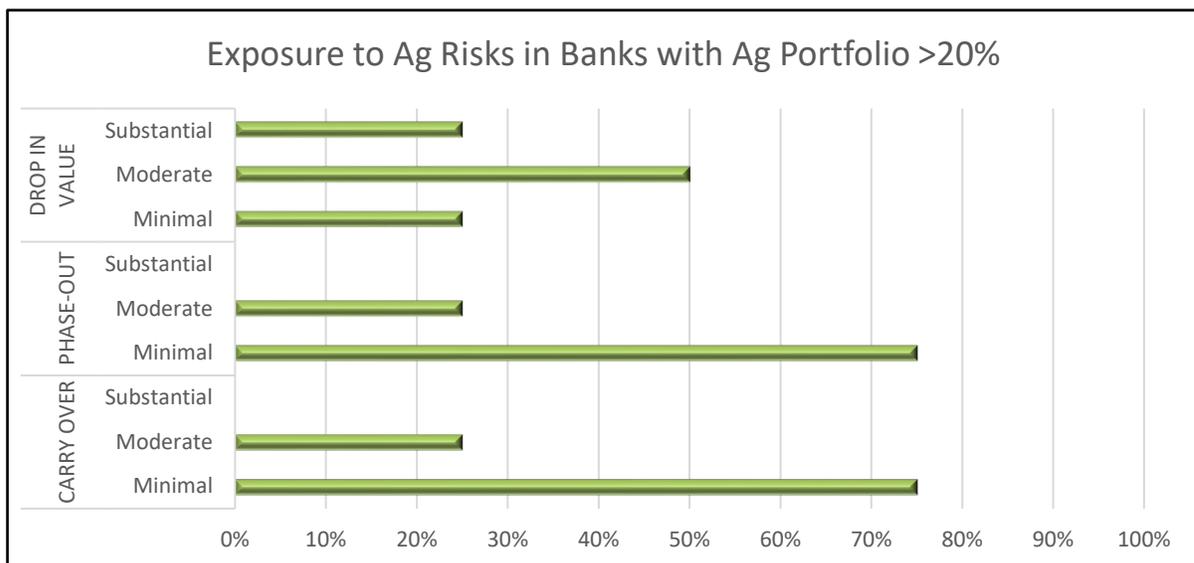


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **3** of the banks during the quarter. Risks identified include high LTV loans, a lack of cash flow projections, liberal repayment terms, and unsecured lending.

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.

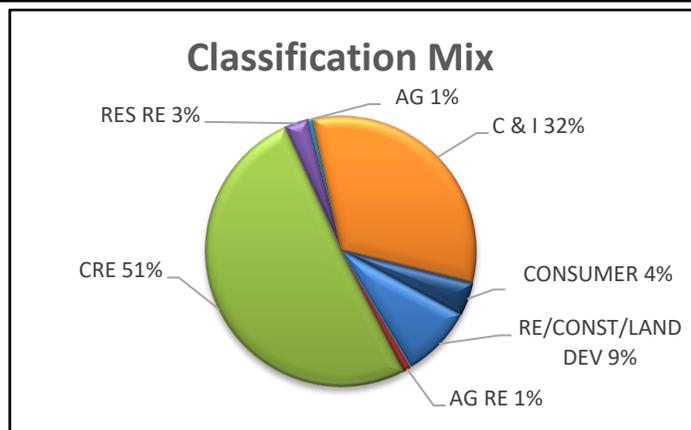


4. Agriculture loans represent more than 20% of total loans in **4** banks examined. Overall, the potential exposure to Ag risks in these banks is mostly minimal. Increased risk related to a drop in land values is identified, with **1** bank in the substantial risk category.



5. The Adversely Classified Items Coverage ratio increased in **9** of the banks examined. Deterioration in existing credits was noted as the main factor.

6. The mix of total loan classifications for the **19** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of CRE and C&I 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 **2** also 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 **4** 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 **2** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to the audit environment and employee account review.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to marijuana related businesses and FinTech Activities.

