



## DIVISION OF FINANCE

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March 6, 2009

The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of December 31, 2008, and a comparison with the statements filed one year earlier.

Also included is a comparison of financial statements of state-chartered and national banks.

During the previous twelve months, the number of state-chartered banks and trust companies decreased by nine to 291. Four banks and one nondeposit trust company merged into out-of-state banks, four banks merged into other Missouri state-chartered banks, one bank merged into a Missouri national bank, and one bank merged into a Missouri federal savings bank. One nondeposit trust charter was dissolved. There was one bank failure when Hume Bank was closed on March 7, 2008. There were four new bank charters granted, two of which were issued when national banks converted to state charters.

Assets in state-chartered banks totaled \$76.0 billion on December 31, 2008, an increase of 8.9 percent from one year earlier. Deposits were \$60.6 billion, up 7.9 percent.

Total loans were \$55.0 billion on December 31, 2008, up 6.3 percent.

The equity capital ratio decreased to 10.31 percent. Primary capital, which includes the allowance for loan and lease losses, was also down, to 11.39 percent. The tangible equity capital ratio was down to 8.84 percent. These declines are the result of banks absorbing loan losses at a much higher level in 2008 compared to recent years. Despite the ratio declines, Missouri banks continue to maintain a strong overall capital position.

Net income in state banks was down 89.1 percent for 2008. Return on assets among state-chartered banks was 0.09 percent, compared to 0.95 percent for 2007. The reduced net income is a result of declining asset quality. This is evidenced by an increased past due ratio, and a sharp increase in net loan losses combined with the corresponding provision expense. The income decline continues to be primarily influenced by a small number of banks. After adjusting out ten banks with the largest losses, the return on assets for the remaining 274 banks was 0.70 percent.

A handwritten signature in cursive script that reads "Richard Weaver".

Richard Weaver  
Deputy Commissioner

**COMPARATIVE STATEMENT OF CONDITION  
STATE BANKS AND TRUST COMPANIES IN MISSOURI  
AS OF DECEMBER 31, 2008**

THOUSANDS OF DOLLARS	284 BANKS 12/31/2008	291 BANKS 12/31/2007	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$54,976,514	\$51,719,169	\$3,257,345	6.3%
Allowance for Loan Losses	923,976	723,386	200,590	27.7%
Total Assets	76,036,870	69,817,962	6,218,908	8.9%
<b>LIABILITIES</b>				
Total Deposits	60,611,553	56,153,828	4,457,725	7.9%
Total Equity Capital	7,842,713	7,502,492	340,221	4.5%

OPERATING RATIOS	12/31/2008	12/31/2007	CHANGE
Equity Capital/Assets	10.31%	10.75%	-0.44%
Tangible Equity Capital/Assets	8.84%	9.32%	-0.48%
Capital and Allowance for Loan Losses/Assets	11.39%	11.66%	-0.27%
Total Loans/Assets	72.30%	74.08%	-1.78%
Past Due and Nonaccrual Loans/Total Loans	3.57%	2.63%	0.94%
Allowance for Loan Losses/Loans	1.68%	1.40%	0.28%
Average Net Interest Margin	3.85%	4.02%	-0.17%
Return on Assets	0.09%	0.95%	-0.86%

**NOTES:**

2007 does not include nine nondeposit trust companies.  
2008 does not include seven nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION  
STATE AND NATIONAL BANKS IN MISSOURI  
AS OF DECEMBER 31, 2008**

MILLIONS OF DOLLARS	12/31/2008			12/31/2007	PERCENT CHANGE
	284 STATE BANKS	37 NATIONAL BANKS	321 ALL BANKS	331 ALL BANKS	
<b>ASSETS</b>					
Cash and Due from Banks	3,324	3,074	6,398	3,929	62.8%
Investment Securities	11,207	9,453	20,660	18,294	12.9%
Total Loans and Leases	54,977	25,262	80,239	75,298	6.6%
Less: Reserves	924	383	1,307	1,026	27.4%
Federal Funds Sold	2,189	697	2,886	3,054	-5.5%
Fixed Assets	1,596	847	2,443	2,319	5.3%
Other Real Estate	563	83	646	303	113.2%
Intangible Assets	1,226	281	1,507	1,379	9.3%
Other assets	1,879	955	2,834	2,497	13.5%
<b>TOTAL ASSETS</b>	<b>\$76,037</b>	<b>\$40,269</b>	<b>\$116,306</b>	<b>\$106,047</b>	<b>9.7%</b>
<b>LIABILITIES</b>					
Total Deposits	60,612	30,389	91,001	83,754	8.7%
Deposits over 100M	10,617	4,342	14,959	14,241	5.0%
Brokered Deposits	6,793	520	7,313	2,991	144.5%
Federal Funds Purchased	2,343	3,542	5,885	6,190	-4.9%
Other liabilities	5,239	3,010	8,249	5,483	50.4%
Total Equity Capital	7,843	3,328	11,171	10,620	5.2%
<b>TOTAL LIABILITIES</b>	<b>\$76,037</b>	<b>\$40,269</b>	<b>\$116,306</b>	<b>\$106,047</b>	<b>9.7%</b>
<b>EARNINGS</b>					
Interest Income	4,114	1,916	6,030	6,525	-7.6%
Interest Expense	1,738	682	2,420	3,016	-19.8%
Net Interest Income	2,376	1,234	3,610	3,509	2.9%
Provision for Loan Losses	820	252	1,072	333	221.9%
Net Income	70	318	388	1,073	-63.8%
Cash Dividends	392	195	587	675	-13.0%
Net Loan Losses	629	176	805	248	224.6%