

PUBLIC DISCLOSURE

December 6, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Alton Bank
Certificate Number: 8276

520 Broadway Street
Alton, Missouri 65606

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**. An institution in this category has an outstanding record of helping to meet the credit needs of its assessment area in a manner consistent with its resources and capabilities. In addition, examiners did not identify any evidence of discriminatory or other illegal credit practices. The institution's overall CRA performance is outstanding in relation to the reviewed performance criteria, as discussed below.

- The loan-to-deposit ratio is reasonable given the institution size, financial condition, and assessment area credit needs.
- The bank made a majority of its small farm, home mortgage, and small business loans in the assessment area.
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects an excellent penetration of loans among farms and businesses of different revenue sizes and to individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 11, 2013, to the current evaluation dated December 6, 2018. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA Lending Test performance. The Lending Test considered the institution's performance based on the following criteria:

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

Loan Products Reviewed

Based on a review of the September 30, 2018, Consolidated Reports of Condition and Income (Call Report), the bank's primary product lines are agricultural, home mortgage, and commercial loans. These loan product categories represented 37.1 percent, 24.0 percent, and 22.1 percent of the loan portfolio, respectively, and are the primary focus of the institution's business strategy.

Bank records indicate the lending focus and product mix remained fairly consistent throughout the evaluation period. Examiners reviewed small farm, home mortgage, and small business originated from January 1, 2017, to December 31, 2017. Management indicated a review of loans from this time period would be representative of the institution's performance throughout the entire evaluation period.

Specifically, examiners reviewed a sample of 23 small farm loans totaling \$482 thousand selected from the universe of 48 small farm loans totaling \$1.6 million. In addition, examiners reviewed a sample of 30 home mortgage loans totaling \$1.4 million from the universe of 96 home mortgage loans totaling \$1.8 million, and a sample of 28 small business loans totaling \$677 thousand from the universe of 77 small business loans totaling \$3.6 million. Examiners used 2015 American Community Survey (ACS) data as a standard of comparison to evaluate home mortgage lending performance, and 2017 D&B data as a standard of comparison to evaluate small farm and small business lending performance. Examiners gave equal weight to the small farm, home mortgage, and small business loans, in drawing conclusions, consistent with the bank's business strategy.

Examiners evaluated lending activity based upon both the number and dollar volume of loans for Assessment Area Concentration criterion. Although both number and dollar volume are presented in the Geographic Distribution and Borrower Profile criteria, examiners emphasized performance by number of loans, as the number of loans is typically a better indicator of the number of farms, businesses, and individuals served.

DESCRIPTION OF INSTITUTION

Background

Alton Bank is a full-service institution that operates from a main office and a limited service drive-up facility situated across the street from the main office in Alton, Missouri. Both buildings are located on the Alton town square.

The bank is wholly-owned by Alton Bancshares, a two-bank holding company based in Alton, Missouri. The holding company also owns First Community Bank of the Ozarks, Branson, Missouri, and is affiliated with Bank of Grandin, Grandin, Missouri. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated February 11, 2013, Interagency Small Institution Examination Procedures.

Operations

Alton Bank's main office and limited service drive-up facility are both located in a moderate-income census tract (CT) 4801, in Oregon County, Missouri. The institution maintains an automated teller machine (ATM) at the drive-up facility and has two stand-alone ATMs in local convenience stores, also located in CT 4801. There have been no changes in branch or ATM structure since the prior evaluation, and no merger or acquisition activity has occurred since the previous evaluation.

According to the September 30, 2018, Call Report, the bank is primarily an agricultural lender. In addition, the bank offers residential real estate, commercial, and consumer loans. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet banking.

Ability and Capacity

The September 30, 2018, Call Report, indicates the institution reported total assets of \$65.7 million, total loans of \$43.1 million, and total deposits of \$50.9 million. The following table on the following page shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of 09/30/18		
Loan Category	\$ (000s)	%
Construction and Land Development	1,004	2.3
Secured by Farmland	9,603	22.3
Secured by 1-4 Family Residential Properties	10,348	24.0
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	7,151	16.6
Total Real Estate Loans	28,106	65.2
Commercial and Industrial Loans	2,371	5.5
Agricultural Loans	6,371	14.8
Consumer Loans	6,194	14.4
Other Loans	34	0.1
Less: Unearned Income	(0)	(0.0)
Total Loans	43,076	100.0

Source: Call Report. Due to rounding, totals may not equal 100.0

Examination personnel did not identify any financial, legal, or other impediments affecting the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Management has delineated one assessment area that is comprised of the entirety of Oregon County in south-central Missouri. There have been no changes to the designated assessment area since the previous evaluation.

Economic and Demographic Data

According to the 2010 U.S. Census data used at the previous evaluation the income designations from the three CTs comprised the assessment area included two moderate- and one middle-income CTs. Based on 2015 ACS data, the assessment area currently consists of one moderate-income and two middle-income CTs. The following table illustrates select demographic information for the assessment area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (CTs)	3	0.0	33.6	66.7	0.0
Population by Geography	10,979	0.0	36.5	63.5	0.0
Housing Units by Geography	5,438	0.0	33.7	66.3	0.0
Owner-Occupied Units by Geography	3,290	0.0	37.9	62.1	0.0
Occupied Rental Units by Geography	1,077	0.0	28.5	71.5	0.0
Vacant Units by Geography	1,071	0.0	26.3	73.7	0.0
Businesses by Geography	347	0.0	26.8	73.2	0.0
Farms by Geography	23	0.0	21.7	78.3	0.0
Family Distribution by Income Level	2,746	27.2	19.3	22.2	31.3
Household Distribution by Income Level	4,367	33.8	17.7	16.4	32.1
Median Family Income Nonmetropolitan Missouri	\$48,553	Median Housing Value		\$80,334	
Families Below Poverty Level	20.1%	Median Gross Rent		\$473	

Source: 2013 ACS Census; 2017 D&B Data. Due to rounding, totals may not equal 100.0.

There are 5,438 housing units in the assessment area. Of these, 60.5 percent are owner-occupied, 19.8 percent are occupied rental units, and 19.7 percent are vacant.

The 2017 FFIEC-updated median family income figure is used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table for nonmetropolitan Missouri.

Median Family Income Ranges for Nonmetropolitan Missouri				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2017 (\$50,800)	<\$25,400	\$25,400 to <\$40,640	\$40,640 to <\$60,960	≥\$60,960

Source: FFIEC

According to 2017 D&B data, there were 23 farms in the assessment area. The analysis of small farm loans under the Borrower Profile criterion compares small farm lending to the distribution of farms by gross annual revenue (GAR) level. GARs for these farms are as follows:

- 95.6 percent have GARs of \$1 million or less
- 0.0 percent have GARs of more than \$1 million
- 4.4 percent did not report revenue information

In addition, 2017 D&B data reveals there were 347 businesses in the assessment area. The analysis of small business loans under the Borrower Profile criterion compares small business lending to the distribution of businesses by GAR level. GARs for these businesses are as follows:

- 75.5 percent have GARs of \$1 million or less
- 5.5 percent have GARs of more than \$1 million
- 19.0 percent did not report revenue information

Service industries represent the largest portion of businesses in the assessment area at 36.0 percent; followed by retail trade at 15.7 percent; transportation-communication at 7.0 percent; and finance-insurance-real estate at 6.8 percent. In addition, 62.0 percent of area businesses (inclusive of both farm and non-farm businesses) have four or fewer employees and 81.6 percent operate from a single location. Based on a combination of management comments, Data USA information, and community contact comments, the largest employers in the area include educational services (the Alton, Thayer, and Couch, Missouri School Systems), healthcare/social services, and agri-business, including logging operations.

Unemployment data obtained from the Bureau of Labor Statistics reveals that the unemployment rates for Oregon County have annually compared higher than the statewide rate, although both sets of data denote improving economic conditions over the evaluation period as noted in the following table.

Unemployment Rates						
Area	2013*	2014*	2015*	2016*	2017*	September 2018
Oregon County	8.0	7.5	6.3	6.0	4.6	3.5
State of Missouri	6.7	6.1	5.0	4.6	3.8	2.6

*Source: Bureau of Labor Statistics data, *Annual Average rate*

Competition

The bank receives some competition regarding financial services offered in this assessment area. According to the FDIC Deposit Market Share data, as of reporting year 2017, there were three financial institutions operating five offices within the assessment area. Of these institutions, Alton Bank ranked 2nd with 41.4 percent of the deposit market share.

Community Contact

Examiners conducted an interview with a representative knowledgeable about the assessment area. This contact was used to obtain a profile of the local communities, general credit needs in the assessment area, and assess opportunities for participation by local financial institutions. The information helps determine whether local financial institutions are responsive to identified credit needs.

This individual characterized the local economy in Oregon County area as stable and tied to agriculture and government assistance. The contacted stated the population of Alton has remained at approximately 800 individuals for several years, with no growth anticipated in the near future. Employment opportunities are limited to agricultural, service, and educational jobs (the local school districts). The contact speculated that many Alton residents commute to the larger city of West Plains for work purposes; West Plains is located in neighboring Howell County, Missouri. The contact indicated that commercial lending opportunities in Oregon County would be limited at best; stating home mortgage and agricultural opportunities would be

higher. Lastly, the contact indicated that financial institutions in the area have a good reputation regarding the origination of loans to qualified borrowers.

Bank management indicated that the overall economy is stable, but asserted that most local residents are low- and moderate-income individuals who sometimes struggle in qualifying for a loan. Bank management echoed the assertion of the community contact in that many Oregon County residents rely on various forms of government assistance. The local housing economy is driven by the purchase and refinancing of the existing older housing stock. Agricultural lending opportunities are available, but commercial lending prospects remain limited in both Alton and the greater Oregon County area. Considering economic and demographic data, and information from the community contact and bank management, examiners ascertained the primary credit needs in the assessment area are agricultural and home mortgage loans, with limited commercial lending.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Alton Bank demonstrated excellent performance under the Lending Test. Borrower Profile and Geographic Distribution performance in the assessment area primarily support this conclusion.

Loan-to-Deposit Ratio

The average net loan-to-deposit ratio is reasonable given the institution's asset size, financial condition, and the credit needs of the assessment area. Since the previous CRA evaluation on February 11, 2013, the loan-to-deposit ratio of the bank has averaged 68.4 percent. The ratio ranged from a low of 53.7 percent, as of March 31, 2016, to a high of 85.2 percent, as of September 30, 2018.

The lending performance of similarly-situated lenders serves as an additional method of assessing the adequacy of a loan-to-deposit ratio. A similarly-situated lender is defined as a financial institution that is located in or near the assessment area and is the most comparable to the bank based on asset size, market served, product offerings, loan portfolio composition, and branching structure. Given the significant differences in asset size, branching structure, and market(s) served, no similarly-situated lenders could be identified for loan-to-deposit comparison purposes during the current evaluation.

Overall, the bank's LTD ratio is reasonable given the bank's asset size, geographic location, and lending focus. Further, the community contact indicated the needs for the assessment area are being met.

Assessment Area Concentration

A majority of the small farm, home mortgage, and small business loans reviewed were originated in the assessment area by both number of loans and dollar volume. The bank's performance of originating loans within its assessment area reflects a reasonable commitment to meeting the credit

needs of the assessment area. The table that follows summarizes the institution's record of lending inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Farm	19	82.6	4	17.4	25	411	85.3	71	14.7	482
Home Mortgage	24	80.0	6	20.0	30	1,166	82.2	253	17.8	1,419
Small Business	16	57.1	12	42.9	28	377	55.7	300	44.3	677

Source: 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

Geographic Distribution

The geographic distribution of loans reflects an overall excellent dispersion throughout the assessment area. The distribution is excellent for small farm, home mortgage, and small business, with all three categories significantly exceeding comparative benchmark percentages. This conclusion was reached through further review of the small farm, home mortgage, and small business loans originated within the assessment area. Consideration was given to local competition, the institution's capacity, and other relevant factors. Particular focus was given to the dispersion of these loans in relation to the one moderate-income CT in the assessment area.

Small Farm Loans

The geographic distribution of small farm loans reflects an excellent dispersion throughout the assessment area. The table indicates that 57.9 percent of sampled loans were originated to farms in the moderate-income CT. This significantly exceeds the percentage of farms in the moderate-income tract, reflecting an excellent dispersion.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	21.7	11	57.9	249	60.5
Middle	78.3	8	42.1	162	39.5
Totals	100.0	19	100.0	411	100.0

Source: 2017 D&B Data & Bank Records. Due to rounding, totals may not equal 100.0

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an excellent dispersion throughout the assessment area. The table indicates that 79.2 percent of sampled loans were originated in the moderate-income CT. This significantly exceeds the percentage of owner-occupied housing units in this tract, reflecting an excellent dispersion.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$ (000s)	%
Moderate	37.9	19	79.2	795	68.2
Middle	62.1	5	20.8	371	31.8
Total	100.0	24	100.0	1,166	100.0

Source: 2013 ACS data & Bank Records. Due to rounding, totals may not equal 100.0

Small Business Loans

The geographic distribution of small business loans reflects an excellent dispersion throughout the assessment area. The table indicates that 75.0 percent of sampled loans were originated in the moderate-income CT. This performance significantly exceeds the percentage of businesses in this tract, reflecting an excellent dispersion.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$ (000s)	%
Moderate	26.8	12	75.0	154	40.8
Middle	73.2	4	25.0	223	59.2
Totals	100.0	16	100.0	377	100.0

Source: 2017 D&B Data & Bank Records. Due to rounding, totals may not equal 100.0

Further, as indicated previously, the community contact's perceptions were that limited commercial lending opportunities were available in the assessment area. Therefore, the contact provides additional support of the bank's excellent performance in small business lending given the limitations.

Borrower Profile

The distribution of borrowers reflects an excellent penetration among farm operations and businesses of different revenue sizes and to individuals of different income levels. The bank's excellent performance of small farm, home mortgage, and small business loans supports this conclusion. Particular focus was given to the dispersion of farm loans to farm operations with GARs of \$1 million or less, to home mortgage loans involving low- and moderate-income borrowers, and to small business loans to businesses with GARs of \$1 million or less.

Small Farm Loans

The distribution of small farm loans represents an excellent penetration among farm operations of different revenue sizes in the assessment area. The table below reflects the distribution of the small farm loans by GAR level, including 2017 D&B farm data for comparison purposes.

Distribution of Small Farm Loans by GAR Category					
GAR Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	95.6	19	100.0	411	100.0
>1,000,000	0.0	0	0.0	0	0.0
Revenue Not Available	4.4	0	0.0	0	0.0
Total	100.0	19	100.0	411	100.0

Source: 2017 D&B Data, 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

Overall, the bank's lending performance reflects an excellent penetration among farm operations of different revenue sizes when compared to the available demographic data.

Home Mortgage Loans

The distribution of home mortgage loans represents an excellent penetration to individuals of different income levels, particularly regarding the bank's collective performance relative to low- and moderate-income borrowers. The following table reflects the distribution of the home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	27.2	3	12.5	90	7.7
Moderate	19.3	11	45.9	449	38.5
Middle	22.2	5	20.8	341	29.3
Upper	31.3	5	20.8	286	24.5
Total	100.0	24	100.0	1,166	100.0

Source: 2015 ACS Census: 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

The home mortgage lending to low-income borrowers (12.5 percent) is less than the percentage of low-income families in the assessment area (27.5 percent), but is considered reasonable. The bank's performance to moderate-income borrowers exceeds the percentage of families in the assessment area.

When evaluating the bank's lending performance to low-income borrowers, examiners considered certain limitations. For example, according to FFIEC data, the maximum income of a "low-income" family in the bank's assessment area was \$25,400 in 2017. A family at this income level would likely not qualify for a home mortgage under conventional underwriting standards especially considering the assessment area's median housing value of \$80,334. Examiners also considered the 2015 ACS data, which reveals 20.1 percent of families in the assessment are living below the poverty level. This factor is considered when evaluating the bank's lending to low-income families, as the cost of owning and maintaining a home is more cost-prohibitive for these families. As noted previously, the community contact and bank management indicated that many Oregon County residents rely on various forms of government assistance, which further highlights the financial limitations faced by low-income families in the

assessment area. Considering these factors, the bank's lending percentage to low-income borrowers of 12.5 percent reflects a reasonable penetration.

Overall, the bank's lending level to low- and moderate-income borrowers is excellent based on the comparisons and considering performance context factors.

Small Business Loans

The distribution of small business loans represents an excellent penetration among businesses of different revenue sizes in the assessment area. The following table reflects the distribution of the small business loans by GAR level, including 2017 D&B business data for comparison purposes.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses 2017	#	%	\$(000s)	%
<=\$1,000,000	75.5	16	100.0	377	100.0
>1,000,000	5.5	0	0.0	0	0.0
Revenue Not Available	19.0	0	0.0	0	0.0
Total	100.0	16	100.0	377	100.0

Source: 2017 D&B Data. 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

The table indicates that all of the loans sampled were originated to businesses with GAR of \$1 million or less. Overall, the bank's lending performance reflects an excellent penetration among businesses of different revenue sizes when compared to the available demographic data.

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic

branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities": census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

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Alton Bank
Certificate Number: 8276

520 Broadway Street
Alton, Missouri 65606

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**. An institution in this category has an outstanding record of helping to meet the credit needs of its assessment area in a manner consistent with its resources and capabilities. In addition, examiners did not identify any evidence of discriminatory or other illegal credit practices. The institution's overall CRA performance is outstanding in relation to the reviewed performance criteria, as discussed below.

- The loan-to-deposit ratio is reasonable given the institution size, financial condition, and assessment area credit needs.
- The bank made a majority of its small farm, home mortgage, and small business loans in the assessment area.
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects an excellent penetration of loans among farms and businesses of different revenue sizes and to individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 11, 2013, to the current evaluation dated December 6, 2018. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA Lending Test performance. The Lending Test considered the institution's performance based on the following criteria:

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

Loan Products Reviewed

Based on a review of the September 30, 2018, Consolidated Reports of Condition and Income (Call Report), the bank's primary product lines are agricultural, home mortgage, and commercial loans. These loan product categories represented 37.1 percent, 24.0 percent, and 22.1 percent of the loan portfolio, respectively, and are the primary focus of the institution's business strategy.

Bank records indicate the lending focus and product mix remained fairly consistent throughout the evaluation period. Examiners reviewed small farm, home mortgage, and small business originated from January 1, 2017, to December 31, 2017. Management indicated a review of loans from this time period would be representative of the institution's performance throughout the entire evaluation period.

Specifically, examiners reviewed a sample of 23 small farm loans totaling \$482 thousand selected from the universe of 48 small farm loans totaling \$1.6 million. In addition, examiners reviewed a sample of 30 home mortgage loans totaling \$1.4 million from the universe of 96 home mortgage loans totaling \$1.8 million, and a sample of 28 small business loans totaling \$677 thousand from the universe of 77 small business loans totaling \$3.6 million. Examiners used 2015 American Community Survey (ACS) data as a standard of comparison to evaluate home mortgage lending performance, and 2017 D&B data as a standard of comparison to evaluate small farm and small business lending performance. Examiners gave equal weight to the small farm, home mortgage, and small business loans, in drawing conclusions, consistent with the bank's business strategy.

Examiners evaluated lending activity based upon both the number and dollar volume of loans for Assessment Area Concentration criterion. Although both number and dollar volume are presented in the Geographic Distribution and Borrower Profile criteria, examiners emphasized performance by number of loans, as the number of loans is typically a better indicator of the number of farms, businesses, and individuals served.

DESCRIPTION OF INSTITUTION

Background

Alton Bank is a full-service institution that operates from a main office and a limited service drive-up facility situated across the street from the main office in Alton, Missouri. Both buildings are located on the Alton town square.

The bank is wholly-owned by Alton Bancshares, a two-bank holding company based in Alton, Missouri. The holding company also owns First Community Bank of the Ozarks, Branson, Missouri, and is affiliated with Bank of Grandin, Grandin, Missouri. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated February 11, 2013, Interagency Small Institution Examination Procedures.

Operations

Alton Bank's main office and limited service drive-up facility are both located in a moderate-income census tract (CT) 4801, in Oregon County, Missouri. The institution maintains an automated teller machine (ATM) at the drive-up facility and has two stand-alone ATMs in local convenience stores, also located in CT 4801. There have been no changes in branch or ATM structure since the prior evaluation, and no merger or acquisition activity has occurred since the previous evaluation.

According to the September 30, 2018, Call Report, the bank is primarily an agricultural lender. In addition, the bank offers residential real estate, commercial, and consumer loans. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet banking.

Ability and Capacity

The September 30, 2018, Call Report, indicates the institution reported total assets of \$65.7 million, total loans of \$43.1 million, and total deposits of \$50.9 million. The following table on the following page shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of 09/30/18		
Loan Category	\$ (000s)	%
Construction and Land Development	1,004	2.3
Secured by Farmland	9,603	22.3
Secured by 1-4 Family Residential Properties	10,348	24.0
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	7,151	16.6
Total Real Estate Loans	28,106	65.2
Commercial and Industrial Loans	2,371	5.5
Agricultural Loans	6,371	14.8
Consumer Loans	6,194	14.4
Other Loans	34	0.1
Less: Unearned Income	(0)	(0.0)
Total Loans	43,076	100.0

Source: Call Report. Due to rounding, totals may not equal 100.0

Examination personnel did not identify any financial, legal, or other impediments affecting the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Management has delineated one assessment area that is comprised of the entirety of Oregon County in south-central Missouri. There have been no changes to the designated assessment area since the previous evaluation.

Economic and Demographic Data

According to the 2010 U.S. Census data used at the previous evaluation the income designations from the three CTs comprised the assessment area included two moderate- and one middle-income CTs. Based on 2015 ACS data, the assessment area currently consists of one moderate-income and two middle-income CTs. The following table illustrates select demographic information for the assessment area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (CTs)	3	0.0	33.6	66.7	0.0
Population by Geography	10,979	0.0	36.5	63.5	0.0
Housing Units by Geography	5,438	0.0	33.7	66.3	0.0
Owner-Occupied Units by Geography	3,290	0.0	37.9	62.1	0.0
Occupied Rental Units by Geography	1,077	0.0	28.5	71.5	0.0
Vacant Units by Geography	1,071	0.0	26.3	73.7	0.0
Businesses by Geography	347	0.0	26.8	73.2	0.0
Farms by Geography	23	0.0	21.7	78.3	0.0
Family Distribution by Income Level	2,746	27.2	19.3	22.2	31.3
Household Distribution by Income Level	4,367	33.8	17.7	16.4	32.1
Median Family Income Nonmetropolitan Missouri	\$48,553	Median Housing Value		\$80,334	
Families Below Poverty Level	20.1%	Median Gross Rent		\$473	

Source: 2015 ACS Census; 2017 D&B Data. Due to rounding, totals may not equal 100.0.

There are 5,438 housing units in the assessment area. Of these, 60.5 percent are owner-occupied, 19.8 percent are occupied rental units, and 19.7 percent are vacant.

The 2017 FFIEC-updated median family income figure is used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table for nonmetropolitan Missouri.

Median Family Income Ranges for Nonmetropolitan Missouri				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2017 (\$50,800)	<\$25,400	\$25,400 to <\$40,640	\$40,640 to <\$60,960	≥\$60,960

Source: FFIEC

According to 2017 D&B data, there were 23 farms in the assessment area. The analysis of small farm loans under the Borrower Profile criterion compares small farm lending to the distribution of farms by gross annual revenue (GAR) level. GARs for these farms are as follows:

- 95.6 percent have GARs of \$1 million or less
- 0.0 percent have GARs of more than \$1 million
- 4.4 percent did not report revenue information

In addition, 2017 D&B data reveals there were 347 businesses in the assessment area. The analysis of small business loans under the Borrower Profile criterion compares small business lending to the distribution of businesses by GAR level. GARs for these businesses are as follows:

- 75.5 percent have GARs of \$1 million or less
- 5.5 percent have GARs of more than \$1 million
- 19.0 percent did not report revenue information

Service industries represent the largest portion of businesses in the assessment area at 36.0 percent; followed by retail trade at 15.7 percent; transportation-communication at 7.0 percent; and finance-insurance-real estate at 6.8 percent. In addition, 62.0 percent of area businesses (inclusive of both farm and non-farm businesses) have four or fewer employees and 81.6 percent operate from a single location. Based on a combination of management comments, Data USA information, and community contact comments, the largest employers in the area include educational services (the Alton, Thayer, and Couch, Missouri School Systems), healthcare/social services, and agri-business, including logging operations.

Unemployment data obtained from the Bureau of Labor Statistics reveals that the unemployment rates for Oregon County have annually compared higher than the statewide rate, although both sets of data denote improving economic conditions over the evaluation period as noted in the following table.

Unemployment Rates						
Area	2013*	2014*	2015*	2016*	2017*	September 2018
Oregon County	8.0	7.5	6.3	6.0	4.6	3.5
State of Missouri	6.7	6.1	5.0	4.6	3.8	2.6

*Source: Bureau of Labor Statistics data, *Annual Average rate*

Competition

The bank receives some competition regarding financial services offered in this assessment area. According to the FDIC Deposit Market Share data, as of reporting year 2017, there were three financial institutions operating five offices within the assessment area. Of these institutions, Alton Bank ranked 2nd with 41.4 percent of the deposit market share.

Community Contact

Examiners conducted an interview with a representative knowledgeable about the assessment area. This contact was used to obtain a profile of the local communities, general credit needs in the assessment area, and assess opportunities for participation by local financial institutions. The information helps determine whether local financial institutions are responsive to identified credit needs.

This individual characterized the local economy in Oregon County area as stable and tied to agriculture and government assistance. The contacted stated the population of Alton has remained at approximately 800 individuals for several years, with no growth anticipated in the near future. Employment opportunities are limited to agricultural, service, and educational jobs (the local school districts). The contact speculated that many Alton residents commute to the larger city of West Plains for work purposes: West Plains is located in neighboring Howell County, Missouri. The contact indicated that commercial lending opportunities in Oregon County would be limited at best; stating home mortgage and agricultural opportunities would be

higher. Lastly, the contact indicated that financial institutions in the area have a good reputation regarding the origination of loans to qualified borrowers.

Bank management indicated that the overall economy is stable, but asserted that most local residents are low- and moderate-income individuals who sometimes struggle in qualifying for a loan. Bank management echoed the assertion of the community contact in that many Oregon County residents rely on various forms of government assistance. The local housing economy is driven by the purchase and refinancing of the existing older housing stock. Agricultural lending opportunities are available, but commercial lending prospects remain limited in both Alton and the greater Oregon County area. Considering economic and demographic data, and information from the community contact and bank management, examiners ascertained the primary credit needs in the assessment area are agricultural and home mortgage loans, with limited commercial lending.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Alton Bank demonstrated excellent performance under the Lending Test. Borrower Profile and Geographic Distribution performance in the assessment area primarily support this conclusion.

Loan-to-Deposit Ratio

The average net loan-to-deposit ratio is reasonable given the institution's asset size, financial condition, and the credit needs of the assessment area. Since the previous CRA evaluation on February 11, 2013, the loan-to-deposit ratio of the bank has averaged 68.4 percent. The ratio ranged from a low of 53.7 percent, as of March 31, 2016, to a high of 85.2 percent, as of September 30, 2018.

The lending performance of similarly-situated lenders serves as an additional method of assessing the adequacy of a loan-to-deposit ratio. A similarly-situated lender is defined as a financial institution that is located in or near the assessment area and is the most comparable to the bank based on asset size, market served, product offerings, loan portfolio composition, and branching structure. Given the significant differences in asset size, branching structure, and market(s) served, no similarly-situated lenders could be identified for loan-to-deposit comparison purposes during the current evaluation.

Overall, the bank's LTD ratio is reasonable given the bank's asset size, geographic location, and lending focus. Further, the community contact indicated the needs for the assessment area are being met.

Assessment Area Concentration

A majority of the small farm, home mortgage, and small business loans reviewed were originated in the assessment area by both number of loans and dollar volume. The bank's performance of originating loans within its assessment area reflects a reasonable commitment to meeting the credit

needs of the assessment area. The table that follows summarizes the institution's record of lending inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Farm	19	82.6	4	17.4	23	411	85.3	71	14.7	482
Home Mortgage	24	80.0	6	20.0	30	1,166	82.2	253	17.8	1,419
Small Business	16	57.1	12	42.9	28	377	55.7	300	44.3	677

Source: 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

Geographic Distribution

The geographic distribution of loans reflects an overall excellent dispersion throughout the assessment area. The distribution is excellent for small farm, home mortgage, and small business, with all three categories significantly exceeding comparative benchmark percentages. This conclusion was reached through further review of the small farm, home mortgage, and small business loans originated within the assessment area. Consideration was given to local competition, the institution's capacity, and other relevant factors. Particular focus was given to the dispersion of these loans in relation to the one moderate-income CT in the assessment area.

Small Farm Loans

The geographic distribution of small farm loans reflects an excellent dispersion throughout the assessment area. The table indicates that 57.9 percent of sampled loans were originated to farms in the moderate-income CT. This significantly exceeds the percentage of farms in the moderate-income tract, reflecting an excellent dispersion.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	21.7	11	57.9	249	60.5
Middle	78.3	8	42.1	162	39.5
Totals	100.0	19	100.0	411	100.0

Source: 2017 D&B Data & Bank Records. Due to rounding, totals may not equal 100.0

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an excellent dispersion throughout the assessment area. The table indicates that 79.2 percent of sampled loans were originated in the moderate-income CT. This significantly exceeds the percentage of owner-occupied housing units in this tract, reflecting an excellent dispersion.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	37.9	19	79.2	795	68.2
Middle	62.1	5	20.8	571	31.8
Total	100.0	24	100.0	1,166	100.0

Source: 2013 ACS data & Bank Records. Due to rounding, totals may not equal 100.0

Small Business Loans

The geographic distribution of small business loans reflects an excellent dispersion throughout the assessment area. The table indicates that 75.0 percent of sampled loans were originated in the moderate-income CT. This performance significantly exceeds the percentage of businesses in this tract, reflecting an excellent dispersion.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	26.8	12	75.0	154	40.8
Middle	73.2	4	25.0	223	59.2
Totals	100.0	16	100.0	377	100.0

Source: 2017 D&B Data & Bank Records. Due to rounding, totals may not equal 100.0

Further, as indicated previously, the community contact's perceptions were that limited commercial lending opportunities were available in the assessment area. Therefore, the contact provides additional support of the bank's excellent performance in small business lending given the limitations.

Borrower Profile

The distribution of borrowers reflects an excellent penetration among farm operations and businesses of different revenue sizes and to individuals of different income levels. The bank's excellent performance of small farm, home mortgage, and small business loans supports this conclusion. Particular focus was given to the dispersion of farm loans to farm operations with GARs of \$1 million or less, to home mortgage loans involving low- and moderate-income borrowers, and to small business loans to businesses with GARs of \$1 million or less.

Small Farm Loans

The distribution of small farm loans represents an excellent penetration among farm operations of different revenue sizes in the assessment area. The table below reflects the distribution of the small farm loans by GAR level, including 2017 D&B farm data for comparison purposes.

Distribution of Small Farm Loans by GAR Category					
GAR Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	95.6	19	100.0	411	100.0
>1,000,000	0.0	0	0.0	0	0.0
Revenue Not Available	4.4	0	0.0	0	0.0
Total	100.0	19	100.0	411	100.0

Source: 2017 D&B Data, 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

Overall, the bank's lending performance reflects an excellent penetration among farm operations of different revenue sizes when compared to the available demographic data.

Home Mortgage Loans

The distribution of home mortgage loans represents an excellent penetration to individuals of different income levels, particularly regarding the bank's collective performance relative to low- and moderate-income borrowers. The following table reflects the distribution of the home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	27.2	3	12.5	90	7.7
Moderate	19.3	11	45.9	449	38.5
Middle	22.2	5	20.8	341	29.3
Upper	31.3	5	20.8	286	24.5
Total	100.0	24	100.0	1,166	100.0

Source: 2015 ACS Census: 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

The home mortgage lending to low-income borrowers (12.5 percent) is less than the percentage of low-income families in the assessment area (27.5 percent), but is considered reasonable. The bank's performance to moderate-income borrowers exceeds the percentage of families in the assessment area.

When evaluating the bank's lending performance to low-income borrowers, examiners considered certain limitations. For example, according to FFIEC data, the maximum income of a "low-income" family in the bank's assessment area was \$25,400 in 2017. A family at this income level would likely not qualify for a home mortgage under conventional underwriting standards especially considering the assessment area's median housing value of \$80,334. Examiners also considered the 2015 ACS data, which reveals 20.1 percent of families in the assessment are living below the poverty level. This factor is considered when evaluating the bank's lending to low-income families, as the cost of owning and maintaining a home is more cost-prohibitive for these families. As noted previously, the community contact and bank management indicated that many Oregon County residents rely on various forms of government assistance, which further highlights the financial limitations faced by low-income families in the

assessment area. Considering these factors, the bank's lending percentage to low-income borrowers of 12.5 percent reflects a reasonable penetration.

Overall, the bank's lending level to low- and moderate-income borrowers is excellent based on the comparisons and considering performance context factors.

Small Business Loans

The distribution of small business loans represents an excellent penetration among businesses of different revenue sizes in the assessment area. The following table reflects the distribution of the small business loans by GAR level, including 2017 D&B business data for comparison purposes.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses 2017	#	%	\$(000s)	%
<=\$1,000,000	75.5	16	100.0	377	100.0
>1,000,000	5.5	0	0.0	0	0.0
Revenue Not Available	19.0	0	0.0	0	0.0
Total	100.0	16	100.0	377	100.0

Source: 2017 D&B Data, 1/1/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0

The table indicates that all of the loans sampled were originated to businesses with GAR of \$1 million or less. Overall, the bank's lending performance reflects an excellent penetration among businesses of different revenue sizes when compared to the available demographic data.

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home-equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic

branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities": census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

LIST OF THE BANK'S BRANCHES, STREET ADDRESS, AND GEOGRAPHIES

ALTON BANK

MAIN BRANCH

28 MEDICAL DRIVE

ALTON, MO 65606

STATE: 29 - MISSOURI (MO)

COUNTY: 149 – OREGON COUNTY

CENSUS TRACTS: 4801.00, 4802.00, 4803.00, 9999.99

BANK OF BIRCH TREE

BRANCH OF ALTON BANK

100 STATE HWY FF

BIRCH TREE, MO 65438

STATE: 29 – MISSOURI (MO)

COUNTY: 203 – SHANNON COUNTY

CENSUS TRACTS: 4701.00, 4702.00, 9999.99

ALTON BANK
28 MEDICAL DRIVE
P O BOX 7
ALTON, MO 65606
417-778-7211

ALTON BANK IS OPEN AT THE MAIN BANK MONDAY THROUGH THURSDAY FROM 9:00 A.M. TO 3:00 P.M. AND FRIDAY 9:00 A.M. TO 5:00 P.M. THE DRIVE THRU IS OPEN MONDAY THROUGH THURSDAY 8:30 A.M. TO 4:30 P.M., AND 8:30 A.M. TO 5:00 P.M. ON FRIDAY. THE DRIVE THRU IS OPEN ON SATURDAYS FROM 8:30 A.M. TO 12:00.

OUR AVAILABLE LOAN PRODUCTS ARE:

- REAL ESTATE LOANS
- COMMERCIAL AND INDUSTRIAL LOANS
- SMALL BUSINESS ADMINISTRATION LOANS
 - CONSUMER LOANS
 - AGRICULTURE RELATED LOANS
 - BUSINESS LOANS

OUR AVAILABLE DEPOSIT PRODUCTS ARE:

- HOMETOWN CHECKING ACCOUNT
- HOMETOWN REGULAR CHECKING ACCOUNT
 - HOMETOWN CHECKING WITH INTEREST
 - HOMETOWN REBATE CHECKING ACCOUNT
 - HOMETOWN REWARD CHECKING ACCOUNT
- HOMETOWN ATM REFUND CHECKING ACCOUNT
 - BUSINESS CHECKING ACCOUNT
- BUSINESS CHECKING WITH INTEREST ACCOUNT
 - MONEY MARKET DEPOSIT ACCOUNT
- BUSINESS MONEY MARKET DEPOSIT ACCOUNT
 - HSA CHECKING ACCOUNT
 - STATEMENT SAVINGS ACCOUNT
- BUSINESS STATEMENT SAVINGS ACCOUNT
 - CHRISTMAS CLUB ACCOUNTS
 - IRA SAVINGS
 - IRA CERTIFICATE OF DEPOSITS
 - CERTIFICATE OF DEPOSITS

❖ SEE ATTACHED ACCOUNT DISCLOSURE INFORMATION FOR TRANSACTION FEES AMOUNTS.

❖ SEE ATTACHED IF THERE ARE ANY WRITTEN COMMENTS.

BANK OF BIRCH TREE – BRANCH OF ALTON BANK

7828 State Hwy FF

P O BOX 70

BIRCH TREE, MO 65438

573-292-1316

ALTON BANK IS OPEN AT THE MAIN BANK MONDAY THROUGH THURSDAY FROM 9:00 A.M. TO 3:00 P.M. AND FRIDAY 9:00 A.M. TO 5:00 P.M. THE DRIVE THRU IS OPEN MONDAY THROUGH THURSDAY 8:30 A.M. TO 4:30 P.M., AND 8:30 A.M. TO 5:00 P.M. ON FRIDAY. THE DRIVE THRU IS OPEN ON SATURDAYS FROM 8:30 A.M. TO 12:00.

OUR AVAILABLE LOAN PRODUCTS ARE:

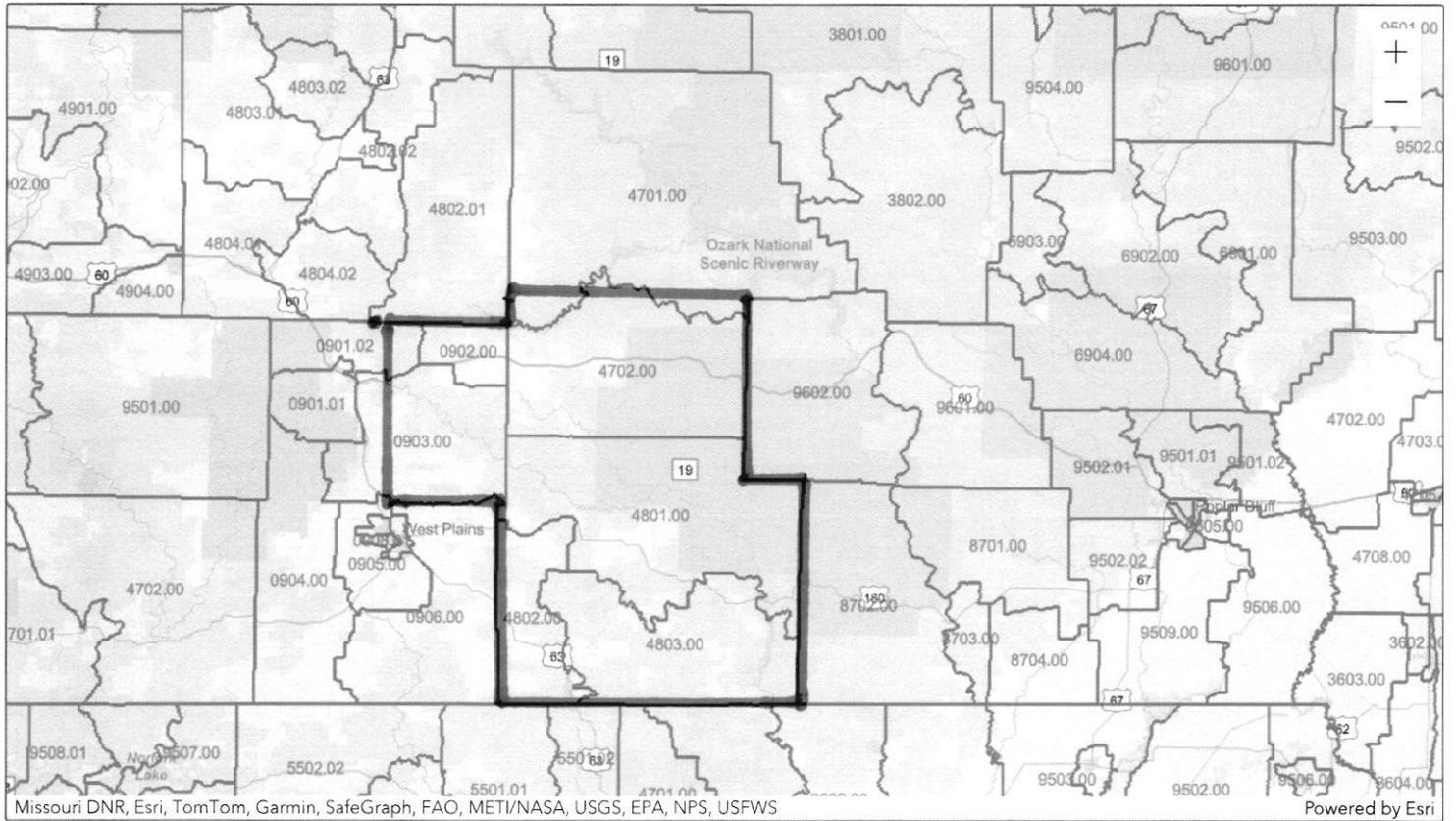
- REAL ESTATE LOANS
- COMMERCIAL AND INDUSTRIAL LOANS
- SMALL BUSINESS ADMINISTRATION LOANS
 - CONSUMER LOANS
 - AGRICULTURE RELATED LOANS
 - BUSINESS LOANS

OUR AVAILABLE DEPOSIT PRODUCTS ARE:

- HOMETOWN CHECKING ACCOUNT
- HOMETOWN REGULAR CHECKING ACCOUNT
- HOMETOWN CHECKING WITH INTEREST ACCOUNT
 - HOMETOWN REBATE CHECKING ACCOUNT
 - HOMETOWN REWARD CHECKING ACCOUNT
- HOMETOWN ATM REFUND CHECKING ACCOUNT
 - BUSINESS CHECKING ACCOUNT
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Missouri DNR, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS

Powered by Esri

● Matched Address:
MSA: || State: || County: || Tract Code:

● Selected Tract
MSA: || State: || County: || Tract Code:

2023 FFIEC Census Report - Summary Census Demographic Information

State: 29 - MISSOURI (MO)

County: 203 - SHANNON COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
29	203	4701.00	Middle	Yes*	85.26	\$71,000	\$60,535	\$48,563	2880	6.67	192	1024	1870
29	203	4702.00	Middle	Yes*	81.04	\$71,000	\$57,538	\$46,159	4151	9.35	388	1269	2256
29	203	9999.99	Middle	No	83.03	\$71,000	\$58,951	\$47,292	7031	8.25	580	2293	4126

* Will automatically be included in the 2024 Distressed or Underserved Tract List

2023 FFIEC Census Report - Summary Census Demographic Information

State: 29 - MISSOURI (MO)

County: 149 - OREGON COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
29	149	4801.00	Moderate	No	62.23	\$71,000	\$44,183	\$35,449	2896	6.87	199	1176	1966
29	149	4802.00	Middle	Yes*	80.19	\$71,000	\$56,935	\$45,675	3760	8.46	318	1189	2111
29	149	4803.00	Moderate	No	77.86	\$71,000	\$55,281	\$44,350	1979	6.47	128	772	1368
29	149	9999.99	Moderate	No	72.22	\$71,000	\$51,276	\$41,139	8635	7.47	645	3137	5445

* Will automatically be included in the 2024 Distressed or Underserved Tract List

2023 FFIEC Census Report - Summary Census Demographic Information
 State: 29 - MISSOURI (MO)
 County: 091 - HOWELL COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
29	091	0901.01	Middle	No	82.62	\$71,000	\$58,660	\$47,063	2542	10.62	270	501	1159
29	091	0901.02	Moderate	No	68.99	\$71,000	\$48,983	\$39,297	2786	11.20	312	813	1005
29	091	0902.00	Middle	No	84.79	\$71,000	\$60,201	\$48,297	3974	9.46	376	1049	1712
29	091	0903.00	Moderate	No	69.54	\$71,000	\$49,373	\$39,613	4545	9.09	413	1404	2127
29	091	0904.00	Moderate	No	68.01	\$71,000	\$48,287	\$38,741	4585	6.96	319	1587	2257
29	091	0905.00	Middle	No	92.43	\$71,000	\$65,625	\$52,650	4833	7.66	370	1274	2052
29	091	0906.00	Middle	No	108.56	\$71,000	\$77,078	\$61,833	4886	8.88	434	1832	2421
29	091	0907.00	Moderate	No	62.79	\$71,000	\$44,581	\$35,766	5079	10.83	550	939	2352
29	091	0908.01	Moderate	No	79.89	\$71,000	\$56,722	\$45,505	3264	11.06	361	634	1216
29	091	0908.02	Moderate	No	70.83	\$71,000	\$50,289	\$40,345	3256	11.46	373	581	1057

* Will automatically be included in the 2024 Distressed or Underserved Tract List



ALTON BANK

Loan to Deposit Ratio

January 01, 2023 through December 31, 2023

March 31, 2023 46.74%

June 30, 2023 56.51%

September 30, 2023 57.43%

December 31, 2023 57.13%

MAIN BANK
PO BOX 7
Alton, MO 65606
417-778-7211

Worth Changing Banks For
MEMBER FDIC
EQUAL HOUSING LENDER

BIRCH TREE BRANCH
PO BOX 70
Birch Tree, MO 65438
573-292-1316