

## *Community Reinvestment Act Notice*

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, Division of Depositor and Consumer Protection, FDIC 1100 Walnut St, Suite 2100, Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to Shannon Damron, President of Tri-County Trust Company, 103 Commerce St, P.O. Box 217, Glasgow, MO 65254, and FDIC Regional Director. You may also submit comments electronically through the FDIC's Web site at [www.fdic.gov/regulations/cra](http://www.fdic.gov/regulations/cra). Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Bancshares of Glasgow, a bank holding company. You may request from Jeff Imgarten, Assistant Vice President, Federal Reserve Bank of Kansas City, One Memorial Drive, Kansas City, MO, 64198, an announcement of applications covered by the CRA filed by bank holding companies.

As of 06/30/2024 Tri-County Trust has had no requests for our CRA file and there have been public comments.

06/30/2024  
COMMUNITY REINVESTMENT ACT  
PUBLIC FILE

Information available to the public:

1. All written comments received from the public for the current year and the prior two calendar years. There have been no public comments as of the date above.
2. A copy of the Public Disclosure of the bank's most recent CRA Performance Evaluation prepared by the FDIC.
3. The bank has no branches.
4. The bank has never opened or closed a branch.
5. The bank's assessment area includes all of Howard County, Missouri (Tract Map #9601, 9602, & 9603); Saline County, Missouri (Tract Map #901, 902, 903, 904, 905, 906, 907 & 908); Chariton County, Missouri (Tract Map #4701, 4702 & 4703). Maps are enclosed.

6. The bank's loan to deposit ratio for each quarter was:

	<u>Loans</u>	<u>Deposits</u>	<u>Ratio</u>
3-31-97	13,614M	20,884M	65.19%
6-30-97	14,305M	19,992M	73.05%
9-30-97	14,522M	20,715M	70.10%
12-31-97	14,523M	20,609M	70.47%
3-31-98	14,599M	20,714M	70.48%
6-30-98	14,409M	21,022M	68.54%
9-30-98	14,829M	21,554M	68.80%
12-30-98	14,817M	22,606M	65.54%
3-31-99	14,176M	23,800M	59.56%
6-30-99	14,551M	22,279M	65.31%
9-30-99	14,448M	21,832M	66.18%
12-31-99	14,352M	22,985M	62.44%
3-31-00	13,471M	22,723M	59.00%
6-30-00	13,995M	21,144M	66.00%

CRA Public File

Bank/CRA Public File

	Loans	Deposits	Ratio
9-30-00	14,382M	22,295M	65.00%
12-31-00	14,333M	22,565M	64.00%
3-31-01	14,718M	22,331M	66.00%
6-30-01	15,239M	22,821M	67.00%
9-30-01	15,386M	23,182M	66.00%
12-31-01	14,944M	24,090M	62.00%
3-31-02	15,417M	24,679M	62.00%
6-30-02	15,916M	24,642M	65.00%
9-30-02	16,471M	24,352M	68.00%
12-31-02	16,676M	25,650M	65.00%
3-31-03	16,627M	26,960M	62.00%
6-30-03	17,389M	26,199M	66.00%
9-30-03	18,023M	25,770M	69.00%
12-31-03	17,839M	25,110M	70.00%
3-31-04	18,392M	25,474M	71.00%
6-30-04	21,083M	25,153M	82.00%
9-30-04	21,899M	25,957M	83.00%
12-31-04	21,925M	25,661M	84.00%
3-31-05	22,064M	26,452M	82.00%
6-30-05	23,326M	25,031M	91.00%
9-30-05	25,028M	24,926M	99.00%
12-31-05	25,041M	25,075M	98.00%
3-31-06	24,279M	25,578M	95.00%
6-30-06	24,877M	28,215M	88.00%

## CRA Public File

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	Loans	Deposits	Ratio
09-30-06	26,189M	28,988M	90.00%
12-31-06	25,828M	30,171M	86.00%
03-31-07	26,284M	31,721M	83.00%
06-30-07	28,384M	31317M	91.00%
09-30-07	30,036M	29,370M	1.02%
12-31-07	30,556M	31,780M	96.00%
03-31-08	30,570M	33,029M	93.00%
06-30-08	32,005M	34,660M	92.00%
09-30-08	34,462M	34,959M	99.00%
12-31-08	35,558M	34,322M	1.04%
03-31-09	35,013M	41,876M	84.00%
06-30-09	35,890M	40,719M	88.00%
09-30-09	35,522M	41,013M	87.00%
12-31-09	36,592M	42,691M	86.00%
03-31-10	35,103M	44,232M	80.00%
06-30-10	35,335M	45,993M	77.00%
09-30-10	36,579M	43,945M	84.00%
12-31-10	5,692M	4,407M	81.00%
03-31-11	34,468M	4,612M	77.00%
06-30-11	34,567M	44,566M	77.00%
09-30-11	35,221M	45,898M	76.00%
12-31-11	35,062M	45,260M	77.00%

	<u>Loans</u>	<u>Deposits</u>	Ratio
03/31/2012	34,926M	50,098M	70.00%
06/30/2012	36,012M	50,164M	72.00%
09/30/2012	36,004M	49,547M	73.00%
12/31/2012	36,518M	48,477M	76.00%
03/31/2013	35,038M	50,654M	69.00%
06/30/2013	34,760M	48,840M	71.00%
09/30/2013	33,777M	47,124M	72.00%
12/31/2013	34,157M	48,248M	71.00%
03/31/2014	33,207M	48,183M	69.00%
06/30/2014	33,684M	49,220M	69.00%
09/30/2014	34,645M	48,097M	72.00%
12/31/2014	34,651M	45,238M	77.00%
03/31/2015	34,124M	46,929M	73.00%
06/30/2015	36,233M	45,881M	79.00%
09/30/2015	36,355M	46,014M	79.00%
12/31/2015	38,131M	45,191M	85.00%
03/31/2016	37,518M	47,816M	79.00%
06/30/2016	41,055M	48,026M	85.00%
09/30/2016	42,180M	48,886M	86.00%
12/31/2016	41,848M	49,343M	84.00%
03/31/2017	40,539M	49,115M	83.00%
06/30/2017	40,917M	47,105M	87.00%
09/30/2017	42,040M	48,377M	87.00%
12/31/2017	43,153M	48,137M	90.00%
03/31/2018	40,686M	47,961M	85.00%
06/30/2018	40,881M	49,096M	84.00%
09/30/2018	42,090M	46,927M	90.00%
12/31/2018	41,716M	50,707M	83.00%
03/31/2019	41,596M	51,447M	81.00%
06/30/2019	42,263M	51,521M	82.00%
09/30/2019	41,994M	50,019M	84.00%
12/31/2019	41,307M	50,659M	82.00%

<u>Date</u>	<u>Loans</u>	<u>Deposits</u>	<u>Ratio</u>
03/31/2020	41,908M	51,420M	82.00%
06/30/2020	42,902M	54,178M	80.00%
09/30/2020	44,431M	54,997M	81.00%
12/31/2020	42,120M	55,170M	77.00%
03/31/2021	41,090M	57,576M	72.00%
06/30/2021	39,750M	55,129M	73.00%
09/30/2021	39,735M	51,191M	78.00%
12/31/2021	38,536M	51,871M	75.00%
03/31/2022	37,296M	55,871M	67.00%
06/30/2022	38,613M	53,002M	73.00%
09/30/2022	39,630M	52,699M	76.00%
12/31/2022	39,287M	52,673M	75.00%
03/31/2023	37,885M	56,145M	68.00%
06/30/2023	40,556M	52,136M	78.00%
09/30/2023	42,678M	48,865M	88.00%
12/31/2023	43,414M	48,425M	90.00%
03/31/2024	42,096M	50,030M	85.00%
06/30/2024	42,652M	48,848M	88.00%

# **TRI-COUNTY TRUST COMPANY**

103 Commerce St., P.O. Box 217, Glasgow, MO 65254

Phone: 660-338-2234

[tricity@tricitytrust.com](mailto:tricity@tricitytrust.com)

[www.tricitytrust.com](http://www.tricitytrust.com)

Census Tract 9603

## **BUSINESS HOURS**

### **LOBBY HOURS:**

#### ***MONDAY-FRIDAY***

8:00a.m. – 4:30p.m.

#### ***SATURDAY***

CLOSED-BY APPOINTMENT ONLY

### **DRIVE UP HOURS:**

#### ***MONDAY-FRIDAY***

8:00a.m. - 4:30p.m.

#### ***SATURDAY***

8:00a.m. - 12:00p.m.

**FEE SCHEDULE**

**TRI-COUNTY TRUST COMPANY**  
103 COMMERCE ST  
P.O. BOX 217  
GLASGOW, Missouri 65254  
(660)338-2234  
tricitytrust.com  
tricity@tricitytrust.com

The service charge information listed in this schedule applies to the various checking, savings and IRA accounts that we offer. The miscellaneous fees may be assessed if certain conditions are met or specific services are requested.

Overdraft Fees (Checks paid)

Overdraft Fees (each overdraft paid) \$27  
Overdraft Fees (daily maximum) \$162

Insufficient Funds Fees (Checks returned unpaid)

Insufficient Funds Fees (each returned check) \$27  
Insufficient Funds Fees (daily maximum) \$162

**FEE AND CHARGES.** The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.

An overdraft fee of \$27.00 will be charged per item for covering overdrafts created by check or draft, in-person withdrawal, or other electronic means.

3rd Party Check Reversal Fee	\$5.00
Stop Payment	\$20.00
Replace debit card	\$5.00
Cashier's Check or Money Order	\$3.00
Wire Transfer (Outgoing)	\$25.00
Fax Transmittal (minimum fee)	\$3.00
Notary Public (Non-customers)	\$2.00
3 X 5 Safety Deposit Box Annual Rent (\$5.00 discount with auto-debit)	\$25.00
3 X 10 Safety Deposit Box Annual Rent (\$5.00 discount with auto-debit)	\$35.00
6 X 10 Safety Deposit Box Annual Rent (\$5.00 discount with auto-debit)	\$45.00
Vault Locker	\$30.00
Christmas Club Early Withdrawal Fee (per withdrawal)	\$25.00

Account Research fee is \$20.00 per hour, minimum 1 hour

Safety Deposit Box forced entry: Actual Cost

Christmas Club Early Account Closure: Accrued interest will be forfeited if account is closed before annual disbursement date.



# Tri-County Trust Deposit Products

Account Product Name	Minimum deposit to open account	Minimum balance to obtain APY
My Rewards Checking <sup>b</sup> *		Positive Balance <sup>c</sup>
Select Interest Checking <sup>b</sup>		Positive Balance <sup>c</sup>
Select Interest Checking <sup>b</sup>	\$100,000 <sup>c</sup>	
Business Interest Checking <sup>b</sup>	\$2,500.00	Positive Balance <sup>c</sup>
IRA <sup>b</sup>		Positive Balance <sup>c</sup>
Statement Savings Account <sup>b</sup>	\$100.00	Positive Balance <sup>c</sup>
Save Up Savings Account <sup>b</sup> **		Positive Balance <sup>c</sup>
Christmas Club Account <sup>b</sup>		Positive Balance <sup>c</sup>
3 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
6 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
12 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
18 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
24 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
36 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
48 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>
60 Month Certificate of Deposit <sup>a</sup>	\$1,000.00	\$1,000.00 <sup>c</sup>

a) A penalty may be imposed for early withdrawal.

b) The interest rate and annual percentage yield may change after account opening.

c) Daily balance. The amount of the principal in the account each day.

\* A higher interest rate may be obtained by meeting minimum statement cycle requirements.

\*\* Minimum \$10 transfer from checking to savings each monthly statement cycle.

**For current rate information call (660) 338-2234.**

**Member  
FDIC**

# HOME MORTGAGE DISCLOSURE ACT NOTICE

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The HMDA data about our residential mortgage lending are available Online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

# TRI-COUNTY TRUST COMPANY

## LOAN PRODUCTS AVAILABLE

AUTO LOANS

PERSONAL LOANS

RESIDENTIAL REAL ESTATE LOANS

- HELOC

PARTICIPATION LOANS

- MPF Xtra

- MPF Traditional 125

- USDA

FARM REAL ESTATE LOANS

COMMERCIAL REAL ESTATE LOANS

FARM OPERATING LOANS

FARM MACHINERY AND EQUIPMENT LOANS

BUSINESS LOANS

INTERNET/MOBILE BANKING/ACH PAYMENT ORIGINATION

PRINTABLE APPLICATIONS ONLY

***A LATE CHARGE OF 5.00% OF THE REGULARLY SCHEDULED PAYEMENT OR \$15.00 WHICHEVER IS GREATER IS CHARGED AFTER THE 15 DAY GRACE PERIOD.***

***ORIGINATION LOAN FEES VARY BASED ON THE TYPE OF LOAN***

**NATIONWIDE MORTGAGE LICENSING  
SYSTEM AND REGISTRY**

**Origination Company NMLS ID**

Tri-County Trust Company      541725

**Originator NMLS ID**

Shannon Damron      636445

Stephanie Johanning      636448

Jeffery Weydert      866492

Andrew Kallmeyer      1071853

Clay Littrell      1824785







# **PUBLIC DISCLOSURE**

October 9, 2018

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Tri-County Trust Company  
Certificate Number: 11465

103 Commerce Street  
Glasgow, Missouri 65254

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 Satisfactory. An institution in this category has a satisfactory record of helping to meet the credit needs of its assessment areas 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 reasonable in relation to the reviewed performance criteria, as discussed below.

- The average net loan-to-deposit (LTD) ratio is reasonable given the asset size and financial condition of the institution and other relevant performance context factors.
- A majority of the reviewed loans were originated within the institution's assessment area.
- The geographic distribution criterion was not evaluated as the bank's assessment area is comprised entirely of middle- and upper-income geographies. As a result, the analysis would not result in meaningful conclusions.
- The distribution of borrowers reflects reasonable penetration of loans to individuals of different income levels and among farms of different revenue sizes.
- 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 October 15, 2012, to the current evaluation dated October 9, 2018. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include a review of the institution's performance based on the following criteria:

- LTD Ratio
- Assessment Area Concentration
- Geographic Distribution
- Borrower Profile
- Response to CRA-related complaints

### Loan Products Reviewed

Based on a review of the June 30, 2018, Consolidated Report of Condition and Income (Call Report), the primary product lines are home mortgage loans (loans secured by 1-4 family residential properties and multi-family residential properties) and agricultural loans (loans secured by farmland, agricultural loans, and other loans to farmers). These loan product categories represented 38.8 percent and 33.6 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 home mortgage loans and small farm loans 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 24 home mortgage loans totaling \$2,878,000 selected from a universe of 47 home mortgage loans totaling \$4,481,000. Examiners used 2015 American Community Survey data as a standard of comparison for the home mortgage loans. Additionally, examiners reviewed a sample of 24 small farm loans totaling \$2,445,000 selected from a universe of 48 small farm loans totaling \$4,507,000. Examiners used 2017 D&B data in evaluating the bank's small farm lending performance. Small business loans were not reviewed, as commercial loans are not a primary business focus of the bank and comprise only 14.3 percent of the total loan portfolio.

Examiners evaluated lending activity based upon both the number and dollar volume of loans for Assessment Area Concentration. The Borrower Profile criterion was evaluated primarily based on the number of loans as the number of loans is typically a better indicator of the lending performance of the institution. Examiners gave equal weighting to both loan products reviewed in drawing conclusions.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Tri-County Trust Company is a full-service bank headquartered in Glasgow, Missouri. The bank continues to be wholly owned by Bancshares of Glasgow, Glasgow, Missouri, a one bank holding company. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated October 15, 2012, which also utilized Interagency Small Institution Examination Procedures. The bank does not have any lending affiliates.

### **Operations**

Tri-County Trust Company operates from its sole office in Glasgow, Missouri, located in CT 9601, an upper-income CT in Howard County. The bank does not operate any deposit-taking or cash-dispensing automated teller machines (ATMs). There have not been any changes in the bank's branching or ATM structure since the prior evaluation.

Tri-County Trust Company's loan products include residential real estate (including multi-family), agricultural, 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 and mobile banking.

### **Ability and Capacity**

According to the June 30, 2018, Call Report, the institution reported total assets of \$56.1 million, total loans of \$40.9 million, and total deposits of \$48.9 million. The following table shows the distribution for each loan category by dollar volume.

<b>Loan Portfolio Distribution as of 06/30/18</b>		
<b>Loan Category</b>	<b>\$ (000s)</b>	<b>%</b>
Construction and Land Development	2,017	4.9
Secured by Farmland	7,285	17.8
Secured by 1-4 Family Residential Properties	15,760	38.6
Secured by Multifamily (5 or more) Residential Properties	119	0.3
Secured by Nonfarm Nonresidential Properties	1,694	4.1
<b>Total Real Estate Loans</b>	<b>26,875</b>	<b>65.7</b>
Commercial and Industrial Loans	4,160	10.2
Agricultural Loans	6,444	15.7
Consumer Loans	3,419	8.4
Other Loans	0	0
Less: Unearned Income	0	0
<b>Total Loans</b>	<b>40,898</b>	<b>100.0</b>
<i>Source: Call Report</i>		
<i>Due to rounding, totals may not equal 100.0</i>		

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 does not exclude any low- or moderate-income CTs and complies with the CRA regulation. The assessment area is comprised of the entirety of Howard County, census tracts (CTs) 4702 and 4703 in Chariton County, and CTs 901 and 908 in Saline County. There have been no changes to the designated assessment area since the previous evaluation.

### **Economic and Demographic Data**

Based on 2015 ACS data, the assessment area consists of seven CTs with six designated as middle-income and one designated as upper-income. 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)	7	0.0	0.0	85.7	14.3	
Population by Geography	20,973	0.0	0.0	85.3	14.7	
Housing Units by Geography	9,768	0.0	0.0	85.7	14.3	
Owner-Occupied Units by Geography	5,985	0.0	0.0	84.7	15.3	
Occupied Rental Units by Geography	1,953	0.0	0.0	87.6	12.4	
Vacant Units by Geography	1,830	0.0	0.0	87.0	13.0	
Businesses by Geography	1,220	0.0	0.0	86.0	14.0	
Farms by Geography	286	0.0	0.0	83.9	16.1	
Family Distribution by Income Level	5,264	16.4	17.3	21.1	45.2	
Household Distribution by Income Level	7,938	22.2	14.7	18.6	44.5	
Median Family Income Nonmetropolitan Missouri	\$48,553	Median Housing Value			\$87,656	
Families Below Poverty Level	10.6%	Median Gross Rent			\$597	

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

There are 9,768 housing units in the assessment area. Of these, 61.3 percent are owner-occupied, 20.0 percent are occupied rental units, and 18.7 percent are vacant. In addition, the median housing value is \$87,656 and the median gross rent is \$597 for this assessment area.

The 2017 FFIEC 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. These categories are based on the 2017 FFIEC median family income of \$50,800.

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 286 farms in the assessment area. Of these farms, 83.9 percent were located in middle-income CTs and 16.1 percent were located in upper-income CTs.

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:

- 99.0 percent have GARs of \$1 million or less
- 0.4 percent have GARs of more than \$1 million
- 0.7 percent did not report revenue information

Service industries represent the largest portion of business in the assessment area at 34.3 percent; followed by agriculture, forestry, and fishing at 19.0 percent; and retail trade at 11.0 percent. In addition, 74.2 percent of area businesses have four or fewer employees and 86.9 percent operate from a single location. Based on a combination of management comments, Missouri Partnership data, and community contact comments, the largest employers in the area include Central Methodist University, GE Energy, Monnig Industries, MFA, local school districts, Phoenix, Penny Plate, CLARCOR, and Slater Elevator.

Unemployment data obtained from the Bureau of Labor Statistics (BLS) reveals that the unemployment rates for Howard, Chariton, and Saline counties have reflected a similar trend to statewide rates, denoting improving economic conditions over the evaluation period as noted in the following table.

Area	Unemployment Rates						
	2012*	2013*	2014*	2015*	2016*	2017*	July 2018
Howard County	6.8	6.5	5.4	4.9	4.4	3.9	3.5
Chariton County	6.5	6.3	5.8	4.7	4.4	3.5	3.3
Saline County	6.6	6.0	5.6	4.8	4.7	3.6	3.8
State of Missouri	6.9	6.7	6.1	5.0	4.6	3.8	3.8

*Source: BLS data, \*Annual Average rate*

### **Competition**

The assessment area is a competitive market for financial services. According to the FDIC Deposit Market Share data, as of June 2018, there were 13 financial institutions operating 29 offices within the assessment area. Of these institutions, Tri-County Trust Company ranked 8<sup>th</sup> with 4.9 percent of the deposit market share.

The Home Mortgage Disclosure Act (HMDA) is not applicable to subject bank. Given this, the institution is not required to collect or report its home mortgage loan data; however, the aggregate HMDA related home mortgage lending data can reflect a level of demand for this loan type and is therefore considered in the performance context. The 2017 home mortgage aggregate lending data shows 84 institutions reported 498 home mortgage loans in the assessment area, which indicates demand for this product.

### **Community Contact**

Examiners conducted an interview with a representative of an agricultural-related organization from 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. This information helps determine whether local financial institutions are responsive to identified needs.

This individual characterized the local economy in the Howard County area as stable and directly tied to agriculture. The contacted stated the area has an aging population due to younger residents leaving the area to pursue jobs outside the area. Major employment opportunities include agricultural, healthcare, social services, local school districts, and the college in Fayette (Central Methodist University). Agriculture consists mostly of family farms and is predominately livestock and hay production. Row crops tend to be focused near the river. The area has faced drought conditions this year, which is depressing the agriculture economy. The southern portion of the workforce commutes to Columbia, Boonville, and Moberly for employment. There is concern regarding the small business economy as evidenced by vacant store fronts. Additionally, the loss of lower paying jobs is artificially inflating the median family income. The housing stock in the area is greater around larger towns and consists primarily of rental properties, especially around the college. Outside of larger towns, housing stock is older and in poorer condition. Lastly, banks in the area have a very good reputation.

Bank management indicated that the overall economy is stable and doing quite well. The local housing economy is stable and strong. While the agricultural economy has experienced some decline due to drought, it is still considered stable and strong with overall loan demand categorized as strong as well. Considering economic and demographic data and information from the community contact and bank management, the primary credit needs in the assessment area are agricultural and home mortgage loans with limited commercial lending.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Tri-County Trust Company demonstrated satisfactory performance under the Lending Test. Reasonable performance in all applicable criteria reviewed supports this conclusion.

### **Loan-to-Deposit Ratio**

The net LTD ratio is considered reasonable given the institution's size, financial condition, and assessment area credit needs. The institution's net LTD ratio, calculated from Call Report data, averaged 77.5 percent over the past 23 calendar quarters from December 31, 2012, to June 30,

2018. The net LTD ratio ranged from a low of 67.6 percent, as of March 31, 2014, to a high of 88.5 percent, as of December 31, 2017. Overall, the net LTD ratio has increased 8.2 percent since the beginning of the evaluation period.

When available and relevant, the performance of similarly situated lenders serves as an additional method of assessing an institution's average net LTD ratio. Similarly situated lenders are defined as financial institutions located in or near the bank's assessment area and are comparable to the subject institution based on asset size and branching structure, market served, product offerings, and/or loan portfolio composition. As shown in the following table, the institution's average NTLTD is between the two identified similarly situated institutions. Considering all internal and external factors, the bank's ratio of 77.5 percent is considered reasonable.

Loan-to-Deposit Ratio Comparison			
Bank	Total Assets as of 06/30/18 \$(000s)	Average Net LTD Ratio (%)	
Tri-County Trust Company, Glasgow, Missouri	56,069	77.5	
The Merchants and Farmers, Salisbury, Missouri	96,226	66.8	
County Bank, Brunswick, Missouri	98,342	86.8	
<i>Source: Call Reports 12/31/12 through 06/30/18</i>			

### **Assessment Area Concentration**

A majority of the home mortgage (83.3 percent by number and 87.7 percent by dollar volume) and small farm (83.3 percent by number and 79.8 percent by dollar volume) loans reviewed were originated within the assessment area. 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		Total	Inside		Total
	#	%	#	\$	%	\$(000s)
Home Mortgage	20	83.3	4	16.7	87.7	2,878
Small Farm	20	83.3	4	16.7	79.8	2,445
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2017 Bank Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						

### **Geographic Distribution**

As discussed in *Description of Assessment Area*, all CTs comprising the assessment area are classified as middle- or upper-income; therefore, an analysis of the distribution of loans among CT income levels would not result in meaningful conclusions and this criterion was not evaluated.



### Borrower Profile

The distribution of borrowers reflects a reasonable penetration among individuals of different income levels and farm operations of different revenue sizes. This conclusion was reached through further review of the home mortgage and small farm loans originated in the assessment area. Particular focus was given to home mortgage loans to low- and moderate-income borrowers and the dispersion of agricultural loans to farm operations with GARs of \$1 million or less.

### Home Mortgage Loans

The distribution of home mortgage loans represents a reasonable penetration to individuals of different income levels, particularly to low- and moderate-income borrowers. The following table reflects the distribution of the home mortgage loans by borrower income level. This table also includes comparative demographic data regarding the percentages of families in the assessment area by income level, based on 2015 ACS data.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	16.4	1	5.0	74	2.9
Moderate	17.3	3	15.0	187	7.4
Middle	21.1	7	35.0	839	33.3
Upper	45.2	9	45.0	1,423	56.4
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2,523</b>	<b>100.0</b>

*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 (5.0 percent) compares lower than the percentage of low-income families in the assessment area (16.4 percent), but is considered reasonable. 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, which would not likely qualify for a mortgage loan under conventional underwriting standards, especially considering the assessment area's median housing value of \$87,656. Also noteworthy, 2015 ACS data reveals 10.6 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. Considering these factors, the bank's lending percentage to low-income borrowers of 5.0 percent reflects a reasonable penetration. The bank's lending percentage to moderate-income borrowers (15.0 percent) compares lower than to the percentage of moderate-income families (17.3 percent), but is considered reasonable. The bank's overall lending level to low- and moderate-income home mortgage borrowers is reasonable based on these comparisons and considering performance context factors.

Small Farm Loans

The distribution of small farm loans represents a reasonable 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	99.0	19	95.0	1,850	94.9
>1,000,000	0.4	0	0.0	0	0.0
Revenue Not Available	0.7	1	5.0	100	5.1
<b>Total</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>1,950</b>	<b>100.0</b>

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

The lending percentage to farms with GARs of \$1 million or less (95.0 percent) compares reasonably to the percentage of small farms reporting GARs of \$1 million or less (99.0 percent). The bank's lending performance reflects a reasonable penetration among farm operations 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.

**Distressed Middle-Income Non-metropolitan Geographies:** A non-metropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**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.