



PUBLIC DISCLOSURE

January 05, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American L & SA
Charter Number 706160

105 N Maple Ave
Hannibal, MO 63401-3406

Office of the Comptroller of the Currency

500 N. Broadway
Suite 1700
St. Louis, MO 63102

NOTE: 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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

American Loan and Savings Association's (American) lending performance reflects a satisfactory response to community credit needs. The conclusion is based on the following:

- The distribution of loans to borrowers of different income levels reflects reasonable penetration in the assessment area (AA).
- The geographic distribution of loans reflects excellent dispersion within the census tracts (CTs) in the AA.
- The association originated a majority of loans inside its AA.
- The loan-to-deposit ratio is more than reasonable.

SCOPE OF EVALUATION

This Performance Evaluation is an assessment of the record of American in meeting the credit needs of the communities in which it operates. American was evaluated under the Small Bank performance criteria, which includes the lending test. The lending test evaluates the thrift's record of helping to meet the credit needs of its AA through its lending activities. The scope of the CRA evaluation period is February 4, 2008 through January 5, 2015. American has one AA, which received a full-scope review.

The lending test analysis includes loans originated from January 1, 2008 through December 31, 2013. The loan sampling period was extended to provide a larger sample of loans given the reduced lending since the last CRA evaluation. Because of the expanded loan sampling period, loan originations and purchases were compared to two census data collection years (2000 and 2010). We reviewed the thrift's loan originations from 2008 through 2013 to determine the primary products for the AA. We concluded the thrift's primary product is residential real estate loans.

DESCRIPTION OF INSTITUTION

American Loan and Savings Association is an intrastate thrift headquartered in Hannibal, Missouri. As of June 30, 2014, American had total assets of \$5 million, total deposits of \$4.4 million, and Tier One capital of \$635 thousand. American has no automated teller machines (ATM) or branches. There have been no changes in the corporate structure, including merger or acquisition activities, since the last CRA evaluation. However, the institution is currently seeking a merger partner. As part of their strategy to find another institution to merge with, the thrift has significantly reduced lending activity.

American offers traditional services and loan products normally associated with a mutual thrift. As of June 30, 2014, the thrift reported over \$3.5 million in outstanding

loans and had a net loans and leases to total assets ratio of 69%. The loan portfolio consists of the following:

Loan Portfolio Summary by Loan Product June 30, 2014		
Loan Category	\$(000)	%
Commercial Loans	\$ 367	10%
Residential Loans	\$3,166	89%
Farm Loans	\$ 0	0%
Consumer Loans	\$ 4	<1%
Total Loans	\$3,537	100%

Source: Call Report June 30, 2014

There are no legal or financial impediments to American’s ability to meet the credit needs in its AA. The thrift was rated Satisfactory at its last CRA evaluation dated February 04, 2008.

DESCRIPTION OF ASSESSMENT AREA

Management has designated Marion County, Ralls County, and eastern Monroe County in Missouri as its AA. The AA is comprised of twelve CTs: CT 9601, 9602, 9603, 9604, 9605, 9606, 9608, 9609 in Marion County; CT 4701, 4702, and 4703 in Ralls County; and CT 9601 in Monroe County. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Based on the 2000 Census, the Median Family Income was \$35,821, classifying CT 9608 as moderate-income and all other CTs in the AA as either middle- or upper-income. The table below provides additional information on the AA.

Demographic Information for Full Scope Area: American LSA Hannibal MO - 2000 Census					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	12	0.00	8.33	50.00	41.67
Population by Geography	41,454	0.00	8.02	47.42	44.56
Owner-Occupied Housing by Geography	11,947	0.00	6.72	48.41	44.87
Business by Geography	4,530	0.00	8.59	46.00	45.41
Farms by Geography	397	0.00	1.26	63.22	35.52
Family Distribution by Income Level	11,336	15.21	15.11	23.22	46.46
Distribution of Low and Moderate Income Families throughout AA Geographies	3,437	0.00	12.02	50.68	37.30
Median Family Income HUD Adjusted Median Family Income for 2011		35,821 47,200	Median Housing Value Families Below Poverty Level		69,058 8.44%

Source: 2000 US Census and 2011 HUD updated MFI

Based on the 2010 Census, the Median Family Income was \$45,840, classifying all CTs within the AA as either middle- or upper-income. The table below provides additional information on the AA.

Demographic Information for Full Scope Area: American LSA Hannibal MO - 2010 Census					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	12	0.00	0.00	66.67	33.33
Population by Geography	42,335	0.00	0.00	62.46	37.54
Owner-Occupied Housing by Geography	12,090	0.00	0.00	60.75	39.25
Business by Geography	3,402	0.00	0.00	58.55	41.45
Farms by Geography	447	0.00	0.00	59.96	40.04
Family Distribution by Income Level	11,595	15.52	14.88	22.27	47.34
Distribution of Low and Moderate Income Families throughout AA Geographies	3,524	0.00	0.00	72.53	27.47
Median Family Income FFIEC Adjusted Median Family Income for 2013		45,840 48,200	Median Housing Value Families Below Poverty Level		96,729 9.93%

Source: 2010 US Census and 2013 FFIEC updated MFI

American’s AA has weathered the recession. Unemployment rates have declined since early 2010 and are now near pre-recession levels. As of September 2014, Marion County’s unemployment rate is 4.8%, Monroe County’s is 6.0%, and Ralls County’s is 4.6%. Monroe County is most reflective of the state of Missouri’s overall unemployment rate, which is also 6.0%.

Competition is moderate in the three counties encompassing the AA, but strong within the City of Hannibal. Including American, there are thirteen financial institutions with 30 offices in these three counties. Major competitors include a mix of community banks (HNB National Bank, F&M Bank and Trust, Home Bank, and RCSBank) and branches of regional banks (Commerce and US Bank). As of June 30, 2014, the bank’s total deposits are \$4.7 million, or a less than 1% market share within the AA.

To further our understanding of the community’s credit needs, we referenced a community contact completed on a community service organization knowledgeable about the areas served by the thrift. Our contact did not identify any unmet credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

American does a reasonable job of meeting the credit needs of its AA, including those of low- and moderate-income people, given the demographics, economic factors, and competitive pressures faced by the thrift.

Loan-to-Deposit Ratio

American’s net loan-to-deposit (LTD) ratio is more than reasonable given the thrift’s size, financial condition, and AA credit needs. The thrift’s net LTD ratio averaged 94% over the 27 quarters since the last CRA evaluation, with a quarterly low of 76% and a quarterly high of 101%.

The thrift’s net LTD ratio compares favorably with other community institutions of similar location and product offerings. It is difficult to compare this thrift to other institutions in terms of size given American only has a little over \$5 million in total assets and the next smallest institution within the AA has \$55 million in total assets. American’s LTD ranks second highest among seven similarly situated institutions serving the AA. The other six institutions had average net LTD ratios ranging from 64% to 94% over the 27 quarters since the last CRA evaluation.

Lending in Assessment Area

A majority of the residential real estate loans originated by American between 2008 and 2013 are to borrowers within its AA. Based on our sample of 44 loans, 55% by number were made within the AA.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects reasonable penetration among individuals of different income levels.

2000 Census

Based on the 2000 Census, the distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. We sampled 18 loans originated between 2008 and 2011. Three loans or 17% were extended to low-income borrowers, far exceeding the 2011 peer aggregate (4.63%) and above the percentage of low-income families (15.21%) within the AA. No loans were extended to moderate-income borrowers, but the low penetration is mitigated by the small sample size and excellent penetration in the low-income category.

2008-2011 Borrower Distribution of Residential Real Estate Loans in the AA				
Borrower Income	Number of Loans	Percentage of Loans	2011 Peer HMDA Aggregate	Percent of Families
Low-Income	3	17%	4.63%	15.21%
Moderate-Income	0	0%	13.67%	15.11%
Middle-Income	1	6%	22.29%	23.22%
Upper-Income	14	78%	47.74%	46.46%
Income NA	-	-	11.67%	-
Total	18	100%	100.00%	100.00%

Source: Loan Sample; 2000 Census data; 2011 Peer Home Mortgage Disclosure Act (HMDA) data

2010 Census

Based on the 2010 census, the distribution of home loans reflects reasonable penetration among borrowers of different income levels. We sampled six loans originated between 2012 and 2013. Two loans or 33% were extended to moderate-income borrowers, far exceeding the 2013 peer aggregate (15.29%) and the percentage of moderate-income families (14.88%) within the AA. No loans were extended to low-income borrowers, but the low penetration is mitigated due to the small sample size and excellent penetration in the moderate-income category.

2012-2013 Borrower Distribution of Residential Real Estate Loans in the AA				
Borrower Income	Number of Loans	Percentage of Loans	2013 Peer HMDA Aggregate	Percent of Families
Low-Income	0	0%	6.10%	15.52%
Moderate-Income	2	33%	15.29%	14.88%
Middle-Income	0	0%	20.96%	22.27%
Upper-Income	4	67%	48.88%	47.34%
Income NA	-	-	8.77%	-
Total	6	100%	100.00%	100.00%

Source: Loan Sample; 2010 Census data; 2013 Peer HMDA data

Geographic Distribution of Loans

The geographic distribution of loans reflects excellent dispersion within the CTs. The analysis of data reflects American lends in most geographies within its AA; there were no conspicuous gaps in the bank’s lending patterns.

2000 Census

The distribution of home mortgage loans reflects an excellent dispersion throughout the CTs of different income levels, including the moderate-income CT. There are no low-income CTs in the AA. Twenty-two percent of originated loans in the sample were made within the moderate-income CT, significantly exceeding the 2011 peer aggregate (3.68%) and the percentage of owner-occupied housing units (OOHUs) in the moderate-income CT (6.72%).

2008-2011 Geographic Distribution of Residential Real Estate Loans in the AA				
Type Census Tract	Number of Loans	Percentage of Loans	2011 Peer HMDA Aggregate	Percent of OOHUs
Low-Income	NA	NA	NA	NA
Moderate-Income	4	22%	3.68%	6.72%
Middle-Income	6	33%	41.96%	48.41%
Upper-Income	8	45%	54.36%	44.87%
Total	18	100%	100.00%	100.00%

Source: Loan Sample; 2000 Census data; 2011 Peer HMDA data

2010 Census

An analysis of the 2012 and 2013 geographic distribution of residential loans is not meaningful because there are no low- or moderate-income CTs in the AA based on the 2010 Census.

Responses to Complaints

American has not received any complaints about its performance in helping to meet the community credit needs since the last CRA evaluation.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.