

CARROLLTON BANK

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The Carrollton Bank Story

People often ask us...

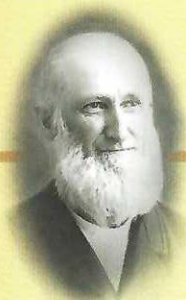
...to tell the story
of Carrollton Bank.

So I thought I'd put it in writing. It's an evolving narrative that describes how and why we're different from just about any other bank around. And perhaps it will renew your faith in banks and bankers.

A handwritten signature in dark ink, appearing to read "Tom Hough", with a long horizontal flourish extending to the right.

Tom Hough

CEO, CARROLLTON BANK



Jeduthan B. Eldred
1877-1888



Samuel W. Eldred
1888-1923
Son of Jeduthan B. Eldred



John J. Eldred
1917-1960
Son of Samuel W. Eldred



Thomas S. Hough
1934-2004
Nephew of John J. Eldred

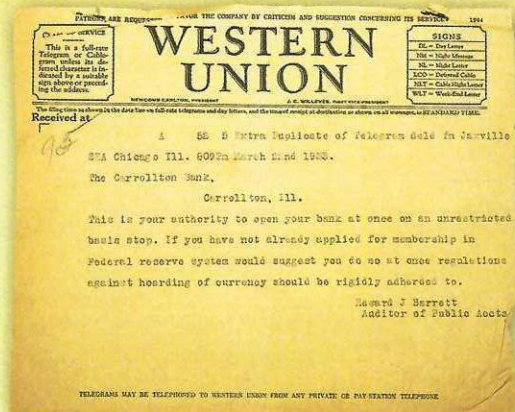


Thomas W. Hough
1968-Present
Son of Thomas S. Hough

FIVE GENERATIONS

My great-great grandfather was a founding partner of Carrollton Bank in Carrollton, Illinois in 1877. My father enjoyed a 70-year career at the bank, starting part-time during his high school years, then full-time in 1946 after college and World War II service.

I, too, worked at the bank during high school, and began full-time in 1973 after college.



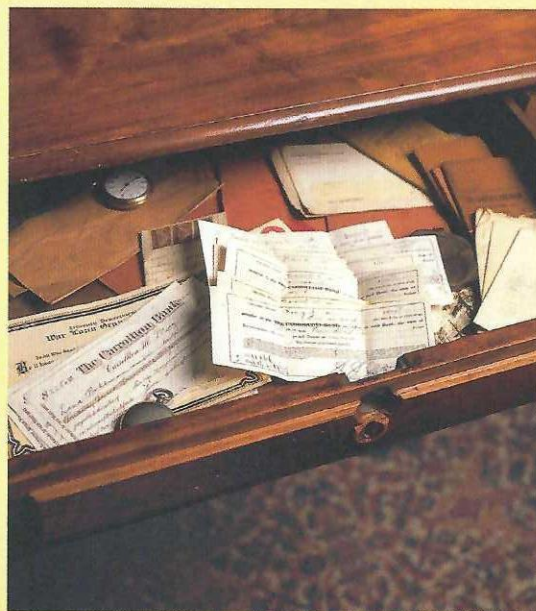
SURVIVING THE DEPRESSION

In 1933, President Roosevelt declared the Bank Holiday, which closed down every bank in the country for 10 days. John Eldred arranged a private loan, and unlike many banks, we opened our doors the first day after the Bank Holiday to continue serving the families of Carrollton.

How the loan was repaid is the most amazing part of the story: everyone who worked at the bank agreed to take a 10% salary cut to help pay back the \$40,000 loan. They did so for 18 years until the loan was paid off in 1952. Once the loan was paid off, we felt it was only fair to reward our employees who had sacrificed so long. That same year we instituted a 15% profit sharing plan for all full-time employees, which is still in effect to this day.

A DRAWER FULL OF HANDSHAKES

After my Great Uncle John died in 1960, we found something amazing. A drawer with a big stack of personal notes in it – \$50,000 in loans ranging from \$100 to \$1,000. The Depression made it difficult for banks to give Carrollton families the financial help they needed, so he would quietly make them a loan out of his own pocket. He never told anyone about this. He just helped his neighbors.



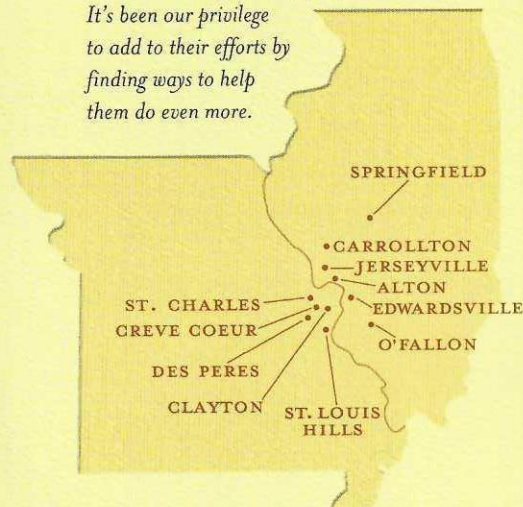
CARROLLTON BANK AT THE CROSSROADS

In the early 1980s, the banking industry really began to change. Consolidation was heating up, and small banks were being gobbled up by larger ones. The farm crisis also going on at the time limited our ability to make loans in the Carrollton area. To survive for the long term, we knew we had to grow.

Fortunately, Carrollton is located just an hour from two large population centers: Springfield, Illinois and the St. Louis metro area. Since we didn't have the financial wherewithal to buy banks to get started in these areas like larger banks would, we instead drove from Carrollton to our new customers, one customer at a time, and asked for their referrals if they were happy with our personal service. This worked better than we ever thought it would.

In 1990, we were able to afford the purchase of a failed Jerseyville savings and loan. It became our second office. We opened our Springfield office in 1994, and Alton two years later. In 1998, we acquired a Missouri banking charter, and opened our first St. Louis bank in Des Peres. Since then we've added six more offices.

In all our communities, we met many groups who were already making people's lives better. It's been our privilege to add to their efforts by finding ways to help them do even more.

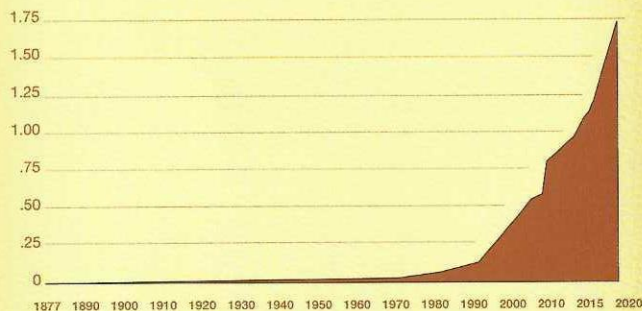


Our growth has been accomplished without going public or catering to outside investors, thus preserving our independence for the long term. We answer only to ourselves and, of course, to our many valued customers.

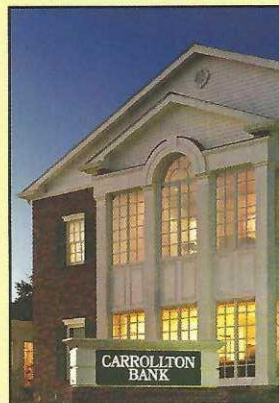
NOT NEW BRANCHES, NEW BANKS

As we've expanded, we've maintained our entrepreneurial spirit by creating independent community banks with local owners who have the ability to make quick decisions to serve their customers better. The result is a bank that has grown from \$7 million in 1973 to over \$1.6 billion today.

Total Assets (Dollars in billions at year-end)



Our growth has given us the financial strength
to preserve our long-term independence



We work hard to make every new bank feel just like...



...our original bank in Carrollton.

OUR BANKERS ARE OUR OWNERS



ATTRACTING THE BEST

Our approach has helped us attract some of the best bankers in the area. They joined for stable careers, where they can build long-term relationships with their customers.





THE FREEDOM TO DO MORE
 Our bankers have the autonomy and the authority to serve their clients in ways only business owners can.

THE SAME PERSPECTIVE
 As business owners, our bankers share an appreciation of the challenges, the risks and the opportunities, their customers face.



“We said Larry, can you do this? He looked us in the eye and said, ‘Yes, I can do that’. He didn’t have to go to a committee.”

— Aaron Sansone

“I’ve had the same banker now for 5 years. At some banks I had 2 or 3 bankers a year.

— Vince Irwin

“There’s no option. It has to be simple and easy. And they make it simple and easy.”

— Jack Robertson

AS OWNERS, THEY:

Invest their money, and themselves,
knowing there’s no quick payoff

Work together with their partners, and their clients,
for the same long-term purpose

Feel a responsibility to make quick,
prudent decisions

Take ownership of the issues that come up,
and have the authority to resolve them

Work directly with clients everyday and
see the impact of their decisions

ENDURING VALUES

While Carrollton Bank has grown and changed with the times, there remains — and will always remain — one constant: the solid values passed down from generation to generation to generation that govern how we treat our customers and our employees. Many of these guiding principles were established or reinforced by my father. We often refer to them now as "the Carrollton Bank Way."

Hire good people.

Less for the bank, more for the customer.

Always do the right thing.

A bank's owners should be at the bank.

Do whatever it takes.

Help us write the next chapter...

We know this is an unusual story to hear from a bank. Yet we've found that when people hear our story, they're usually interested in becoming a customer.

If you find yourself in this category, I hope you'll give me a call. I'll do whatever it takes to earn your business.