

# Small Bank Performance Evaluation

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## PUBLIC DISCLOSURE

June 10, 1996

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Camden National Bank  
Charter # 8217

P.O. Box 518  
Camden, Alabama 36726

Office of the Comptroller of the Currency

Southeast District  
Marquis One Tower, Suite 600  
245 Peachtree Center Avenue, N.E.  
Atlanta, Georgia 30303

NOTE: 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.

## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Camden National Bank prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of June 10, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

Camden National Bank demonstrates satisfactory CRA performance based on the bank's reasonable average loan to deposit ratio; good level of lending within the bank's assessment area; and reasonable distribution of loans to borrowers of different income levels.

The following table indicates the performance level of Camden National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>CAMDEN NATIONAL BANK</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.	No complaints were received since the prior examination.	No complaints were received since the prior examination.

## DESCRIPTION OF INSTITUTION

Camden National Bank (CNB) is located in Camden, Alabama, approximately 80 miles southwest of Montgomery, Alabama. CNB had total assets of \$49,002,000 as of 3/31/96 and is 100% owned by First Camden Bancshares, a one bank holding company. CNB operates a full service main office in Camden. CNB's loan mix consists primarily of consumer, residential real estate, and small business/small farm loans, which together represent approximately 94% of the loan portfolio.

CNB is the largest bank in the county by only a slight margin over its primary competition, another national bank in Camden. The bank enjoys approximately 50% market share of bank loans and deposits in the assessment area. Less significant competitors include a state bank in Pine Hill, AL and a state bank in an adjacent county in the community of Thomasville, AL.

## DESCRIPTION OF THE WILCOX COUNTY ASSESSMENT AREA

Camden National Bank's assessment area is all of Wilcox County, Alabama. Wilcox county consists of the towns of Camden, Pine Apple, Pine Hill, and other small communities. According to 1990 census information, the population of the assessment area is 13,568 and the number of families total 3,287. The population of the city of Camden is 2,414. Wilcox county contains five census tracts, all of which are designated low to moderate income areas. The statewide non-metropolitan median family income for Alabama is \$28,800. The median family income in Wilcox county is \$15,306.

Wilcox county is one of the poorest, if not the poorest county in the state. Forty-two percent of the households in the county live below the poverty level. Sixty-three percent of Wilcox county households depend on Public Assistance and Social Security payments for their livelihood. Unemployment is high at approximately 15% far exceeding the state rate of 7.5%. Primary employers in the county include the timber, paper, livestock, and agriculture industries.

Information received from a community leader indicated a need for adequate housing for the communities poorer residents. The contact indicated that all of the local banks are very involved in the community and are doing a good job of meeting the credit needs of the assessment area.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

- ▶ Camden National Bank is rated satisfactory based on its volume of lending within the assessment area, a reasonable average loan to deposit ratio, and a satisfactory record of lending to borrowers of different income levels.

This performance assessment was based on information obtained from the March 31, 1996

Uniform Bank Performance Report, bank prepared geographical analysis reports,, and 1990 census data for Wilcox County. In addition, other information was obtained from bank reports, two community contacts, and discussions with bank management.

#### LOAN TO DEPOSIT RATIO ANALYSIS

- ▶ Camden National Bank’s average loan to deposit ratio is reasonable and meets the standards for satisfactory CRA performance.

CNB’s quarterly average loan to deposit ratio for the period from the last examination (Dated 10/93) to March 31,1996 is 53%. Although this is somewhat below Town and Country National Bank’s ratio of 68%, it is reasonable. Camden National Bank’s lower loan to deposit ratio is largely attributable to the fact that it makes an extraordinary number of small loans. During the twelve month period of 6/10/95 to 6/10/96, CNB made 1,232 loans of \$1000 or less equating to an average loan of approximately \$614. At 5/31/96, the average size of all loans outstanding was approximately \$8,533.

#### COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

- ▶ The majority of the bank’s loans are made to borrowers within the Wilcox County assessment area and to borrowers within adjacent counties.

The level of lending activity within the assessment area is good, as reflected in the following chart.

LOANS OUTSTANDING JUNE 11, 1996				
LOCATION OF LOANS	# OF LOANS	% OF TOTAL LOANS	\$ OF LOANS	% OF TOTAL \$ VOLUME
WILCOX COUNTY	2,628	86%	\$17,634,094	71%
CONTIGUOUS COUNTIES	104	4%	\$ 1,608,701	7%
LOANS MADE OUTSIDE A/A	315	10%	\$ 5,520,032	22%
TOTALS	3,047	100%	\$24,762,827	100%

## LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

- ▶ Camden National Bank's record of lending to borrowers of different income levels, including low- and moderate- income individuals and small businesses is reasonable.

We selected a sample of loans made during the period of January 1996 through May 1996 in amounts of \$1000 or less. Eighty-five percent of these loans were to low to moderate income borrowers.

Loan size was also used as a proxy to determine the bank's willingness to lend to all income levels. Camden National Bank has exhibited a strong commitment to make small consumer purpose loans. From June 10, 1995 to June 10, 1996 CNB made 1,232 loans of \$1000 or less with an average size of \$614.

The table below demonstrates the strong orientation of Camden National Bank's entire loan portfolio to small consumer purpose and small business/farm lending.

LOANS OUTSTANDING MAY 31, 1996					
TYPES OF LOANS MADE	# OF LOANS	% OF TOTAL LOANS	\$ AMOUNT OF LOANS	% OF TOTAL \$ VOLUME	AVERAGE LOAN SIZE
CONSUMER PURPOSE	2,368	82%	\$ 6,961,395	28%	\$2,940
SMALL BUSINESS / SMALL FARM	324	11%	\$10,405,226	42%	\$32,115
TOTAL ALL LOANS	2,890		\$24,659,529		\$8,533

## GEOGRAPHIC DISTRIBUTION OF LOANS

- ▶ The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

All of the census tracts within the bank's assessment area are designated as low or moderate income areas, based on 1990 census data. Therefore, any loan made within the bank's

assessment area is in a low to moderate income area. As discussed under the "Comparison of Credit Extended Inside and Outside the Assessment Area" section above, Camden National Bank does a good job of lending within its assessment area. As of 6/11/96, 86% percent of the number of loans outstanding and 71% of the dollar volume outstanding are to borrowers within Wilcox County which is designated as low to moderate income.

#### REVIEW OF COMPLAINTS

- ▶ The bank does not have any written complaints regarding its performance under CRA.

#### RESULTS OF FAIR LENDING REVIEW

- ▶ Our fair lending review did not identify any violations of the antidiscrimination laws and regulations. The bank has policies and procedures in place which provide satisfactory guidance on fair lending requirements.