



Comptroller of the Currency
Administrator of National Banks

St. Louis Duty Station
12312 Olive Boulevard, Suite 650
St. Louis, Missouri 64108

Public Disclosure

April 18, 1997

Community Reinvestment Act Performance Evaluation

**First National Bank of Camdenton
Charter Number - 7853**

**105 Highway 5 North
Camdenton, Missouri 65020**

**Office of the Comptroller of the Currency
St. Louis Duty Station
12312 Olive Boulevard, Suite 650
St. Louis, Missouri 63141**

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 CRA performance of the **First National Bank of Camdenton, MO**, prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **April 18, 1997**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated Satisfactory.

The bank has done a reasonable job fulfilling its CRA obligations. Specific strengths include:

- ▶ A substantial majority of the Bank's loans are located within its assessment area;
- ▶ Loans are extended to individuals and businesses of all income levels; and
- ▶ The bank's loan-to-deposit ratio has increased by more than 10% since the last CRA review.

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

Small Institution Assessment Criteria	First National Bank of Camdenton Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-deposit ratio		XX	
Lending in assessment area	XX		
Lending to borrowers of different incomes and to businesses of different sizes		XX	
Geographic distribution of loans		XX	
Response to complaints	The bank has not received any complaints		

Description of Institution

The First National Bank of Camdenton (FNB) has \$187 million in total assets and has three branches. The main office is in Camdenton, MO and the other branches are located in Sunrise Beach, MO and Osage Beach, MO. All branches have Automated Teller Machines (ATMs). There are no financial impediments to the bank fulfilling its CRA requirements.

Description of Assessment Area

Camdenton is the county seat of Camden County, in the heart of the Lake of the Ozarks recreation area. First National Bank of Camdenton’s assessment area is the entire county less the southeast corner (Block Number Areas 9507 and 9513 (series)). The assessment area does not arbitrarily exclude any low- or moderate-income areas. The assessment area has 24,969 residents with the largest community being Camdenton with 2,600. The median family income for the assessment area is \$31,900. According to the 1990 census there are no low-income Block Numbering Areas (BNAs) and only one moderate-income area.

Census tract designation	Number	Percent
low-income	0	0
moderate-income	1	9.1%

Census tract designation	Number	Percent
middle income	8	72.8%
high-income	2	18.2%
Total	11	100%

Family income level	Number	Percent
Low-income	1,581	15.16%
Moderate-income	1,878	18.01%
Middle-income	2,606	24.99%
High-income	4,363	41.83%
Total	10,430	100%

Major employers in the area are Electrovert, with 525 employees; Camdenton R-III Schools with 451 employees; and Modine Heat Transfer with 230 employees. Much of the area employment is seasonal with the 1996 unemployment rate being 6.5%. During the winter months, unemployment is estimated to exceed 20%, with tourism industry lay-offs.

Community contacts from local government and the private sector did not identify any specific unmet credit need of the community. The most pressing needs were for steady, permanent employment and additional lower cost housing units.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-deposit ratio

The bank's loan-to-deposit ratio at 12/31/96 is 57.17% and the quarterly average since the last CRA evaluation is 54.97%. This compares to the average of banks within the five county vicinity of 73.29 (12/31/96) and a quarterly average of 71.53%. While ratios for FNB Camdenton are below other area banks, the performance remains satisfactory. The ratio has increased by more than 10% in the past three years. The aging population of the assessment area (now averaging over 42) reflects the trend of higher deposits and lower loan requirements. The aging of the area is due to vacation home owners retiring to their vacation homes.

Lending in the assessment area

FNB Camdenton originates a substantial majority of their loans within the assessment area. We sampled nearly 94 real estate loans and 25 commercial loans originated in 1996 and determined that 85.7% of the sample originated in the assessment area.

Loan product	# Sampled	# In area	Percent
In-house real estate mortgages	63	55	87.0%
Secondary market mortgages	31	25	81%
Commercial loans	25	22	88%
Total	119	102	86%

Lending to borrowers of different incomes and to businesses of different sizes

FNB Camdenton lends to borrowers of different income levels and to businesses of different sizes. The level of lending to low-income borrowers is substantially below the percentage of households in the low-income segment, due to the median housing value of nearly \$73,000. This figure puts home ownership beyond the means of many low-income borrowers.

Income level	In-house mortgages	Secondary market mortgages	Total
Low-income	4/63--6.3%	0/31--0%	4/94--4.25%
Moderate-income	14/63--22.2%	3/31--9.8%	17/94--18.1%
Middle-income	19/63--30.2%	9/31--29%	28/94--29.8%
High-income	26/63--41.3%	19/31--61.2%	45/94--47.9%
Business & Farm Loans			Community
Gross revenues less than \$1,000,000		23/25--92%	77.8%
Gross revenues greater than \$1,000,000		2/25--8%	22.2%

Geographic distribution

First National Bank lends to all geographies throughout their assessment area. There were no geographies that were excluded and more than 15% of our real estate sample were to borrowers in unincorporated parts of the assessment area.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS

We did not identify any violations of the substantive provisions of the anti-discrimination laws and regulations. Our fair lending practices review consisted of a comparative analysis between approved male applicants and denied female applicants to determine equal treatment. We reviewed both real estate and consumer loans and noted no inconsistencies.

RESPONSE TO COMPLAINTS

The bank did not receive any CRA related complaints since the 1994 CRA examination.