

PUBLIC DISCLOSURE

August 5, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Town - Country National Bank
Charter Number 16708

P.O. Box 458
Camden, AL 36726

Office of the Comptroller of the Currency

Southeastern 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 Town-Country National Bank of Camden Alabama prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of August 5, 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.

Town - Country National Bank effectively serves the credit needs of its community. The bank has actively maintained a good loan to deposit ratio. Also, a substantial majority of business/farm and consumer loans are made within the bank's assessment area, with a favorable volume of these loans being to borrowers of different income levels.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	TOWN - COUNTRY NATIONAL BANK 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.		

DESCRIPTION OF INSTITUTION

Town - Country National Bank (TCNB) is a community bank located in Camden, Alabama. The bank has total assets of \$44 million as of 3/31/96 and is 100% owned by private shareholders. TCNB operates a full service office located in downtown Camden. The bank's loan portfolio consists primarily of consumer, real estate, business, and agriculture loans. Consumer and real estate loans make up 77% (41% and 36%, respectively) of the \$30 million (MM) loan portfolio. TCNB is the second largest bank in the county, but has total assets only slightly below its primary competition. The bank's primary competitor is another national bank in Camden, with both banks enjoying approximately 50% of the market.

DESCRIPTION OF ASSESSMENT AREA

Wilcox County

TCNB's assessment area is Wilcox County, Alabama. This area meets all requirements set forth by the CRA. Wilcox County includes 5 block numbering areas with 2 designated as low income and the remaining 3 as moderate income areas. The county population is approximately 13,568 with 3,287 families. The population of the city of Camden is 2,414 persons.

Based on demographic data, the median family income in Wilcox County is \$15,306 compared to the state's non-metropolitan median family income of \$28,800. The data also revealed that 59% of the families in the county are considered low to moderate income (42% low income and 17% moderate). Public Assistance and Social Security payments are a major source of income for 63% of the county's households. Static economic conditions have contributed to the county's 15% unemployment rate which is double the state's rate of 7.5%. It is estimated that 200 businesses operate in the city of Camden with an additional 100 operating throughout the county. Livestock, timber, paper and agriculture industries are major employers in the area.

Information received from a community leader reflected a need for adequate housing for the community's poorer residents. The contact indicated that all 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 :

Loan-to-Deposit Ratio (LTD)

- TCNB indicated a good loan-to-deposit ratio, which exceeds the standards for a satisfactory CRA performance.

Since the last CRA exam (December 1993), the bank averaged a 68% LTD ratio. The bank had a 10 quarter low of 64% and a high of 70%. The LTD ratio, as of 3/31/96, was 69%. The rating for this performance criteria is based on their average LTD ratio exceeding the local competitor by a 15% margin. The local competitor, Camden National Bank, had an average

LTD ratio of 53%. Also, TCNB's ratio ranks in the 67th percentile as compared to the peer group banks.

Comparison of Credit Extended Inside and Outside of the Bank's Assessment Area

- A substantial majority of the loans are made to borrowers within the Wilcox County assessment area and the contiguous counties.

According to bank personnel, 83% (by dollar volume) of total loans were located within Wilcox County. The dollar volume percentage was verified by aggregating the loan dollar volume for 3 of the 5 block numbering areas in the assessment area. The overall percentage of loans, based on the number of loans made, equaled 85% of all loans originated in the assessment area. In addition the bank showed another 9.8% of the number of loans made and 7.0% of the dollar volume of loans originated in contiguous counties.

TCNB's Loan Distribution

Location	# of Loans	% of Loans	\$ Volume of Loans (000)	% of Loans
Wilcox County	3,624	85.3%	\$25,249	83.1%
Contiguous	419	9.8%	\$2,127	7.00%
Outside AA	211	4.9%	\$3,008	9.9%
Total	4,254	100.0%	\$30,384	100.0%

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

- The distribution of loans reflects a good penetration among borrowers with different income levels, including low and moderate income individuals, and to businesses of different sizes.

Consumer and residential real estate loans make up 41% and 20%, respectively, of the \$30MM loan portfolio. According to management, these loans are to individuals of various economic backgrounds. Also, the bank's assessment area shows a high percentage of individuals with low to moderate incomes, as discussed previously. Therefore, this information would indicate, that a reasonable amount of loans at this bank would be to individuals at different income levels.

To verify this conclusion, we selected a sample of 29 consumer loans in an amount of \$1M or lower, to determine the distribution to borrowers with different income levels. These loans of \$1M or less make up only 6% of the total \$12MM consumer loan portfolio. The review revealed that 76% of these small consumer loans were to individuals with low to moderate incomes. The data showed an average loan amount of \$721 and an average income at \$18M.

Although this data is somewhat limiting as to a complete analysis of lending activity, it does provide some indication of a willingness to lend to individuals with low incomes. Furthermore, bank personnel estimate 40% to 50% of all businesses, that are customers of TCNB, have gross revenues of \$1MM or less. The accuracy of their estimate was verified through a review of a sample of business loans, which showed 5 out of 10 businesses below \$1MM in gross revenues.

Geographic Distribution of Loans

- The bank's performance under this criteria demonstrates a satisfactory dispersion and penetration of loans in the assessment area.

The bank's entire assessment area is designated as low to moderate income, based on 1990 census data. Therefore, any loan made within the assessment area is considered in a low to moderate income neighborhood. Also, the bank's lending activity shows 85% (by number of loans made) and 83% (by dollar volume) of all loan originations being made within Wilcox County, as reported in the table under "Lending In the Assessment Area".

Response to Complaints

- The bank has not received 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.