

PUBLIC DISCLOSURE

March 31, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Cameron State Bank
Certificate Number: 19541**

**4440 Nelson Road
P.O. Box 7980
Lake Charles, Louisiana 70606-7980**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
1601 Bryan Street
Dallas, Texas 75201**

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

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

The Lending Test and Community Development Test are weighed equally in the overall analysis. Although rated Outstanding, the performance in the Community Development was not significantly strong enough to raise the overall rating to Outstanding.

Lending Test

Cameron State Bank demonstrated a satisfactory record with respect to the lending test. The lending analysis focused on the bank's commercial and residential mortgage lending activities. Based on the number and dollar volume of originations, commercial loans were weighted more heavily than residential mortgage loans.

The analysis focused first on the bank's loan-to-deposit ratio and lending within the assessment area. Once examiners identified at least satisfactory performance with these criteria, the analysis then focused on the bank's record of dispersing loans to borrowers of different incomes and businesses of varying gross annual revenue levels as well as the geographic distribution of loans when arriving at the rating. The bank received no written consumer complaints since the previous evaluation; therefore, examiners did not consider this factor in the overall rating.

Cameron State Bank's average loan-to-deposit ratio of 65.85 percent reflects satisfactory performance. The bank also demonstrated strong performance for lending inside its assessment area (AA) with over 90 percent of loan originations within the AA. The overall geographic distribution of loans and lending to borrowers of different incomes and to businesses of different sizes reflected an acceptable penetration of different income levels.

Community Development Test

Cameron State Bank demonstrated an outstanding record with respect to the community development test. An exceptional level of community development loans was noted as well as a high level of community development services, along with an adequate level of qualified investments. The bank originated over 14 million dollars in community development loans since the last evaluation, as well as a high level of community development services.

SCOPE OF EXAMINATION

underbid by larger institutions with a greater ability to invest at a lower cost. Recently the bank attempted to work with the Federal Home Loan Bank on an economic development pool and again was underbid by a larger bank. In an effort to help meet the needs of the community through investments, the bank has turned their attention to CRA fund management pools with a proven record for community development activities.

Table 15 below displays the bank’s qualified investments funded since the prior examination.

Table 15-Qualified Investments		
Type of Investment	Number	Book Value (\$)
Community Capital Management	1	500,000
Senior Housing Crime Prevention	1	990,000
Totals	2	1,490,000

Source: Bank Records

The above listed investment to the Senior Housing Crime Prevention Program is a five year commitment made by Cameron State Bank to continue investment for crime prevention.

Community Development Services

Cameron State Bank has provided a high level of community development services. Bank directors and bank employees serve on boards and committees or provide other financial services to several community development organizations. These organizations benefit the assessment areas by stimulating economic development and providing services to the economically disadvantaged. In addition, the institution has provided financial education and advice, hosted programs for the low- and moderate-income segments of the community, and sponsored grants to benefit affordable housing in the community.

Cameron State Bank operates one main office and twenty branch offices throughout the assessment area. Delivery systems are accessible to essentially all portions of the bank’s assessment areas. Branching changes have not adversely impacted the accessibility of delivery systems. The three branch locations closed since the last performance evaluation due to low deposit and loan demand were all located in upper-income tracts and did not affect services to any low- or moderate-income area. Services and business hours do not vary in a way that inconveniences any portion of the assessment areas.