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Comptroller of the Currency  
Administrator of National Banks

LARGE BANK

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## Public Disclosure

September 27, 1999

# Community Reinvestment Act Performance Evaluation

National Bank of South Carolina  
Charter Number: 10660

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Columbia, South Carolina 29150

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Mid-Size Banks- East  
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**NOTE:** This evaluation is not, and should not 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.

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## 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 **National Bank of South Carolina (NBSC)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of September 27, 1999. The agency evaluates performance in assessment areas, as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate** - Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**Limited-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders’ equity, perpetual preferred shareholders’ equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120% or more of the MFI.

### Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Satisfactory.**”

The following table indicates the performance level of **National Bank of South Carolina** with respect to the Lending, Investment, and Service Tests:

Performance Levels	National Bank of South Carolina Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating are listed below:

! Lending Test

- C Responsiveness in meeting assessment area credit needs was good.
- C Geographic distribution of loans by income level of the geography is good.
- C Distribution of loans by income level of the borrower was adequate.
- C Flexible lending programs were limited in their use.

! Investment Test

- C Given available opportunities, the level of qualified investments was adequate.

! Service Test

- Ⓒ Delivery systems were reasonably accessible to geographies and individuals of different income levels.
- Ⓒ Services and hours did not vary in a way that inconvenienced assessment areas.
- Ⓒ No community development services were provided.

## Description of Institution

As of June 30, 1998, National Bank of South Carolina (NBSC), which is headquartered in Columbia, South Carolina, had total assets of \$1.4 billion. Loans totaled \$1 billion and deposits totaled \$1.2 billion. NBSC offers a full range of banking products and services. At year end 1998, the bank operated out of 43 offices located in six MSAs (Columbia, Sumter, Myrtle Beach, Charleston, Greenville/Spartanburg and Florence) and three non-MSA counties (Beaufort, Kershaw, Lee). Approximately 89% of the bank's deposits are in MSAs. The bank has no operating subsidiaries. NBSC is an intrastate bank. At June 30, 1998, the distribution of NBSC's \$1 billion loan portfolio was as follows: Commercial (includes commercial real estate) (84%); secured by 1-4 family residential properties (4%); consumer loans (10%); and farm loans (2%). As evidenced by its loan mix, NBSC has lent primarily to businesses (commercial) versus individuals (residential, consumer). The majority of residential mortgage loans originated by NBSC are sold to the holding company mortgage affiliate. The bank did not offer to have mortgage loans of the holding company affiliate considered by the bank. The loan-to-deposit ratio was 86%. Tier 1 Capital was 9%.

The bank is 100% owned by Synovus Financial Corporation, an \$11 billion, 36 bank holding company serving communities throughout Georgia, Alabama, Florida and South Carolina.

There are no legal, financial or other impediments which would hamper the bank's ability to help meet the credit needs of its community. The bank's rating at its preceding CRA examination, dated October 28, 1997, was "*Satisfactory*".

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

For the lending test, this examination covers NBSC's performance from January 1, 1997 to December 31, 1998. We reviewed residential mortgage loans subject to filing under HMDA, small business loans and small farm loans. For the Investment Test, we reviewed investments made from January 1, 1997 to September 27, 1999. For the Service Test, we reviewed services performed from January 1, 1997 to September 27, 1999.

**Data Integrity**

We evaluated the accuracy of 1997 and 1998 HMDA, small business, and small farm loan data. This data was accurate and was used during the analysis phase of this examination. Information for the Investment and Service Tests was also verified for accuracy, and was found accurate.

### **Selection of Areas for Full-Scope Review**

The following assessment areas (AA) received full scope reviews: Columbia MSA, Myrtle Beach MSA, Sumter MSA, and Clarendon County. These areas constituted a representative sample of both significant and less significant markets in which the bank operates. See Appendix A for more detailed information.

### **Ratings**

The bank's ratings are based primarily on those areas that received full-scope reviews. The bank's performance in full-scope areas was weighted toward the deposits. The full-scope area with the highest percent of the bank's deposits (Columbia MSA) received the most weight. The full-scope area with the smallest percent of deposits (Clarendon County) received the least weight.

In weighting loan products, small business loans received the most weight because that was the bank's focus during the evaluation period and was the largest portion of their lending. HMDA loans received the second most weight because affordable mortgage loans for low and moderate income persons were identified as a primary credit need. Small farm lending comprised the smallest portion of the bank's lending and, therefore, received the least weight in evaluating the bank's performance. The analysis of small loans to farms with annual revenues of \$500,000 or less was not meaningful because income information was not available on 71% of small farm loans originated during this evaluation period. Income information was not collected on 71% of small farm loans because of a glitch in the computer software used to process the data.

Conclusions for HMDA lending were based on home purchase and refinance loans. Home improvement loans, because of their low volume, were not material and were not analyzed.

Market share was considered in the analysis of small business, HMDA and small farm loans. Market share was an indication of how NBSC performed in comparison to other lenders in their service areas.

### **Other**

Four state-wide community groups were contacted during this review. All four groups were contacted through offices located in Columbia, South Carolina. The first state-wide CD organization provides loans to small businesses, community development loans, and affordable housing grants and loans. The second state-wide CD organization facilitates the acquisition of first time low and moderate income home buyers and provides single and multi-family housing for low to moderate income individuals. The third and fourth state-wide CD organizations facilitate loan guarantees for small business loans. These

organizations identified single family and multi-family affordable housing for low and moderate income individuals as primary credit needs throughout all areas receiving full-scope reviews. Small business loans for start up businesses to low and moderate income people were also identified as a need.

With the exception of the Columbia MSA, community development opportunities were limited for full-scope areas reviewed. At least thirteen CD organizations have offices in the City of Columbia, South Carolina. Four of these organizations were contacted, and they indicated that they serve the entire State of South Carolina. The other nine organizations in Columbia, S.C. serve either the city, county or MSA and have as their primary missions affordable housing for low and moderate income people and areas, economic development, small business lending and revitalization. Based on the number and missions of CD organizations in the Columbia MSA, there were many opportunities for banks to provide CD lending, investments and services. CD opportunities in the other three areas receiving full-scope reviews were primarily limited to the four state-wide CD agencies that were contacted.

## **Fair Lending Review**

A concurrent fair lending review did not identify any violations of the substantive provisions of antidiscrimination laws and regulations. We used a comparative file analysis for home improvement loans originated during 1998. We compared the final credit outcome for black denials to white approvals. The prohibited basis was race.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test was rated **High Satisfactory**. Based on full scope reviews, the bank's lending performance in the Columbia MSA , Sumter MSA, Myrtle Beach MSA and Clarendon County is good.

#### Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Overall lending activity in areas receiving full-scope reviews reflected good responsiveness to credit needs.

Lending activity in the Columbia MSA reflected good responsiveness to credit needs. At June 30, 1998, NBSC ranked sixth in deposits in the Columbia MSA with an 8% market share. The bank ranks sixth in small loans to businesses. This indicated good performance in the volume of small loans to businesses. NBSC ranked fifth in small loans to farms. Relative to its number six deposit share rank, NBSC's performance in the volume of small farm lending was excellent. NBSC ranked fortieth in the volume of HMDA lending. This indicated adequate performance, given the bank's emphasis on small business lending and considering that only 4% of the bank's portfolio is HMDA lending.

Lending activity in the Sumter MSA reflected good responsiveness to credit needs. At June 30, 1998, NBSC ranked first in deposits in the Sumter MSA with a 31% market share. The bank ranks first in small loans to businesses and farms. This was identical to its deposit market share ranking. This indicated good performance in the volume of small loans to businesses and farms. NBSC ranked fourth in the volume of HMDA lending, which indicated adequate performance relative to its deposit market share rank.

Lending activity in the Myrtle Beach MSA reflected good responsiveness to credit needs. At June 30, 1998, NBSC ranked eighth in deposits in the Myrtle Beach MSA with a 6% market share. The bank ranked third and second in small loans to businesses and farms, respectively. This indicated excellent performance in the volume of small loans to businesses and farms. NBSC ranked twelfth in the volume of HMDA lending, which indicated adequate performance relative to its deposit market share rank.

Lending activity in Clarendon County reflected excellent responsiveness to credit needs. At June 30, 1998, NBSC ranked second in deposits in Clarendon County with a 36% market share. The bank ranked first in HMDA, small loans to businesses and small loans to farms. This indicated excellent performance in the volume of all three loan categories.

### **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of loans in assessment areas receiving full-scope reviews was good. The geographic distribution of HMDA loans was adequate. The geographic distribution of loans to small businesses was good. The geographic distribution of loans to small farms was good. There were no conspicuous gaps in the bank's lending patterns throughout its assessment areas.

#### ***Home Mortgage Loans***

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

The overall geographic distribution of *home purchase loans* was adequate.

The geographic distribution of home purchase loans in the Columbia MSA was adequate. The bank's percent of home purchase loans in low income tracts was equal to the percent of owner-occupied units in low income tracts. The percent of home purchase loans to moderate income tracts was somewhat lower than the percent of owner-occupied units in moderate income tracts. The bank's home purchase loan market share in low income tracts was somewhat lower than its overall home purchase loan market share. The bank's overall home purchase loan market share was equal to its home purchase market share in moderate income tracts.

The geographic distribution of home purchase loans in the Sumter MSA was adequate. The bank's percent of home purchase loans in moderate income tracts was lower than the percent of owner-occupied units in moderate income tracts. There are no low income tracts in the Sumter MSA. The bank's overall home purchase loan market share equaled its home purchase market share in moderate income tracts.

The geographic distribution of home purchase loans in the Myrtle Beach MSA was poor. The bank originated no loans in low income geographies. The percent of home purchase loans in moderate income tracts was somewhat lower than the percent of owner-occupied units in moderate income tracts. The bank's home purchase loan market share in low income tracts was somewhat lower than its overall home purchase loan market share. The bank's home purchase loan market share in moderate income tracts was somewhat lower than its overall home purchase loan market share.

Because of the low volume of home purchase loans in Clarendon County, a discussion of geographic distribution in Clarendon County was not meaningful.

The overall geographic distribution of *refinanced loans* was adequate.

The geographic distribution of refinanced loans in the Columbia MSA was adequate. The bank originated no refinanced loans in low income geographies. The percent of refinanced loans in moderate income tracts was lower than the percent of owner-occupied units in moderate income tracts. The bank's refinanced loan market share to low income tracts was somewhat lower than its overall refinanced loan market share. The bank's refinanced loan market share to moderate income tracts was lower than its overall refinanced loan market share.

The geographic distribution of refinanced loans in the Sumter MSA was adequate. The bank's percent of refinanced loans in moderate income tracts was lower than the percent of owner-occupied units in moderate income tracts. The bank's refinanced loan market share to moderate income tracts was lower than its overall refinanced loan market share.

The geographic distribution of refinanced loans in Myrtle Beach was good. The bank originated no refinanced loans in low income geographies. The percent of refinanced loans in moderate income tracts exceeded the percent of owner-occupied units in moderate income tracts. The bank's refinanced loan market share to low income tracts was somewhat lower than its overall refinanced loan market share. The bank's refinanced loan market share to moderate income tracts exceeded its overall refinanced loan market share.

The geographic distribution of refinanced loans in Clarendon County was excellent. The bank's percent of refinanced loans in moderate income tracts exceeded the percent of owner-occupied units in moderate income tracts. The bank's refinanced loan market share to moderate income tracts exceeded its overall refinanced loan market share.

### ***Small Business Loans***

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

The overall geographic distribution of small loans to businesses was good.

The bank's geographic distribution of small loans to businesses in the Columbia MSA was good. The bank's percent of small loans to businesses originated in moderate income tracts exceeded the percent of businesses located in moderate income tracts. The percent of small loans to businesses in low

income tracts was near the percent of businesses in low income tracts. The market share of small loans to businesses in low income tracts exceeded the bank's overall market share of small loans to businesses. The market share of small loans to businesses in moderate income tracts exceeded the bank's overall market share of small loans to businesses.

The bank's geographic distribution of small loans to businesses in the Sumter MSA was good. The bank's percent of small loans to businesses originated in moderate income tracts was near the percent of businesses located in moderate income tracts. The market share of small loans to businesses in moderate income tracts exceeded the bank's overall market share of small loans to businesses. There are no low income census tracts.

The bank's geographic distribution of small loans to businesses in the Myrtle Beach MSA was excellent. The bank's percent of small loans to businesses originated in moderate income tracts exceeded the percent of businesses in moderate income tracts. The percent of small loans to businesses in low income tracts was equal to the percent of businesses in low income tracts. The market share of small loans to businesses in moderate income tracts exceeded the bank's overall market share of small loans to businesses. The market share of small loans to businesses in low income tracts was significantly lower than the bank's overall market share of small loans to businesses.

The bank's geographic distribution of small loans to businesses in Clarendon County was adequate. The bank's percent of small loans to businesses originated in moderate income tracts was lower than the percent of businesses located in moderate income tracts. The market share of small loans to businesses in moderate income tracts was lower than the bank's overall market share of loans to small businesses.

### ***Small Farm Loans***

Refer to Table 6 in Appendix C for the facts and data regarding the distribution of the bank's small farm loan originations.

The overall geographic distribution of small loans to farms was good.

Because of the low volume of farm loans originated in the Columbia MSA during this evaluation period, a discussion of geographic distribution was not meaningful.

The bank's geographic distribution of small loans to farms in the Sumter MSA was adequate. The percent of small loans to farms in moderate income tracts was lower than the percent of farms in moderate income tracts. The market share of small loans to farms in moderate income tracts exceeded the bank's overall market share of loans to small farms.

The bank's geographic distribution of small loans to farms in the Myrtle Beach MSA was excellent. The bank originated no small farm loans in low income geographies. The percent of small loans to farms in moderate income tracts exceeded the percent of farms in moderate income tracts. The market share of loans to small farms in moderate income tracts exceeded the bank's overall market share of loans to small farms.

The bank's geographic distribution of small loans to farms in Clarendon County was good. The percent of small loans to farms in moderate income tracts was near the percent of farms in moderate income tracts. The market share of small loans to farms in moderate income tracts was near the bank's overall market share of small loans to farms.

### **In/Out Ratio**

A substantial majority of the bank's loan originations were in the bank's assessment areas. Overall, 94% of loan originations during the evaluation period were within the bank's assessment area. By loan product, the percent of loans inside assessment areas was 95% of HMDA loans, 94% of small business loans and 94% of small farm loans.

### **Distribution of Loans by Income Level of the Borrower**

The overall distribution of loans by income level in assessment areas receiving full-scope reviews was adequate. The distribution of HMDA loans by borrower income level was poor. The distribution of small loans to businesses with annual revenues of \$1 million or less was adequate. Small loans to businesses were good.

#### ***Home Mortgage Loans***

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

The overall distribution of *home purchase loans* by income level of the borrower was poor.

The distribution of home purchase loans by borrower income level in the Columbia MSA was poor. The bank's percent of home purchase loans to low income borrowers was significantly lower than the percent of low income families residing throughout the AA. The percent of home purchase loans to moderate income borrowers was lower than the percent of moderate income families residing throughout the AA. NBSC's home purchase loan market share to low income borrowers was lower than the bank's overall market share of home purchase loans within the AA. NBSC's home purchase

loan market share to moderate income borrowers was lower than the bank's overall home purchase loan market share within the AA.

The distribution of home purchase loans by borrower income level in the Sumter MSA was poor. The bank's percent of home purchase loans to low income borrowers was somewhat lower than the percent of low income families residing throughout the AA. The percent of home purchase loans to moderate income borrowers was significantly lower than the percent of moderate income families residing throughout the AA. NBSC's home purchase loan market share to low income borrowers was equal to the bank's overall market share of home purchase loans within the AA. The bank's home purchase market share to moderate income borrowers was somewhat lower than the bank's overall market share of home purchase loans within the AA.

The distribution of home purchase loans by borrower income level in the Myrtle Beach MSA was very poor. The bank's percent of home purchase loans to low income borrowers was significantly lower than the percent of low income families residing throughout the AA. The percent of home purchase loans to moderate income borrowers was somewhat lower than the percent of moderate income families residing throughout the AA. NBSC's home purchase loan market share to low income borrowers was somewhat lower than the bank's overall home purchase loan market share within the AA. NBSC's home purchase loan market share to moderate income borrowers was lower than the bank's overall home purchase loan market share within the AA.

Because of the low volume of home purchase loans in Clarendon County, a discussion of distribution by income level in Clarendon County was not meaningful.

The overall distribution of *refinanced loans* by borrower income level was poor.

The distribution of refinanced loans by borrower income level in the Columbia MSA was very poor. The bank's percent of refinanced loans to low income borrowers was significantly lower than the percent of low income families residing throughout the AA. The bank's percent of refinanced loans to moderate income borrowers was significantly lower than the percent of moderate income families residing throughout the AA. NBSC's refinanced loan market share to low income borrowers was somewhat lower than the bank's overall market share of refinanced loans within the AA. The bank's refinanced loan market share to moderate income borrowers was somewhat lower than the bank's overall market share of refinanced loans within the AA.

The distribution of refinanced loans by borrower income level in the Sumter MSA was poor. The bank's percent of refinanced loans to low income borrowers was significantly lower than the percent of low income families residing throughout the AA. The bank's percent of refinanced loans to moderate income borrowers was lower than the percent of moderate income families residing throughout the AA.

NBSC's refinanced loan market share to low income borrowers was somewhat lower than the bank's overall market share of refinanced loans within the AA. The bank's refinanced loan market share to moderate income borrowers was lower than the bank's overall market share of refinanced loans within the AA.

The distribution of refinanced loans by borrower income level in the Myrtle Beach MSA was poor. The bank's percent of refinanced loans to low income borrowers was significantly lower than the percent of low income families residing throughout the AA. The bank's percent of refinanced loans to moderate income borrowers was lower than the percent of moderate income families residing throughout the AA. NBSC's refinanced loan market share to low income borrowers was somewhat lower than the bank's overall market share of refinanced loans within the AA. The bank's refinanced loan market share to moderate income borrowers was somewhat lower than the bank's overall market share of refinanced loans within the AA.

The distribution of refinanced loans by borrower income level in Clarendon County was adequate. The bank's percent of refinanced loans to low income borrowers was significantly lower than the percent of low income families residing throughout the AA. The bank's percent of refinanced loans to moderate income borrowers was equal to the percent of moderate income families residing throughout the AA. NBSC's refinanced loan market share to low income borrowers was equal to the bank's overall market share of refinanced loans within the AA. The bank's refinanced loan market share to moderate income borrowers exceeded the bank's overall market share of refinanced loans within the AA.

### ***Small Business Loans***

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

The overall distribution of small business loans by income level was adequate.

The distribution of small business loans in the Columbia MSA was adequate. NBSC's percent of loans to small businesses was lower than the percent of businesses in the assessment area that were small. The percent of loans in amounts of \$100,000 was lower than the percent of small businesses with annual revenues of \$1 million or less. The market share of loans to small businesses was near the market share of all business loans.

The distribution of small business loans in the Sumter MSA was adequate. NBSC's percent of loans to small businesses was lower than the percent of businesses in the assessment area that were small. The percent of loans in amounts of \$100,000 was near the percent of small businesses with annual revenues

of \$1 million or less. The market share of loans to small businesses was near the market share of all business loans.

The distribution of small business loans in the Myrtle Beach MSA was excellent. NBSC's percent of loans to small businesses exceeded the percent of businesses in the assessment area that were small. The percent of loans in amounts of \$100,000 exceeded the percent of small businesses with annual revenues of \$1 million or less. The market share of loans to small businesses was equal to the market share of all business loans.

The distribution of small business loans in Clarendon County was excellent. NBSC's percent of loans to small businesses exceeded the percent of businesses in the assessment area that were small. The percent of loans in amounts of \$100,000 exceeded the percent of small businesses with annual revenues of \$1 million or less. The market share of loans to small businesses exceeded the market share of all business loans.

### ***Small Farm Loans***

A discussion regarding the overall distribution of small loans to farms by income level was not meaningful because most small farm loans made during the evaluation period did not have income information.

## **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

During this evaluation period, the bank made one community development loan totaling \$183,000. This loan financed the acquisition of a 10 unit apartment building in the Columbia MSA that provided affordable housing for low income individuals.

No community development loans were made in the Sumter MSA, the Myrtle Beach MSA, or Clarendon County.

## **Product Innovation and Flexibility**

NBSC makes limited use of innovative or flexible lending practices to address the credit needs of low or moderate income individuals or geographies. NBSC has allocated funds to a flexible lending program for low and moderate income borrowers for only conventional home purchase loans. The loan to value ratio can be up to 95% compared to a traditional loan to value ratio of 80% for

conventional residential real estate loans. No private mortgage insurance is required compared to being required on traditional loans if the LTV exceeds 80%. Properties must be in South Carolina. Borrowers cannot own any improved real estate when applying for a loan under the bank's program. The maximum debt to income ratio can be 45% compared to 40% for traditional home purchase residential mortgages. Maximum sales price is \$90,000. For this evaluation period, three loans totaling \$151,120 were made under the bank's flexible lending program. This program is available at all of the bank's full service branches throughout all assessment areas.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Florence MSA was not inconsistent with the bank's overall High Satisfactory performance under the Lending Test. In the Charleston MSA, Greenville/Spartanburg MSA, and Beaufort/Kershaw/Lee Counties the bank's performance was weaker than the overall performance; however, it did not change the overall Lending Test rating.

### **INVESTMENT TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test was rated **Low Satisfactory**. Based on full-scope reviews, the bank's performance in the Columbia MSA was poor based on available opportunities. Performance in the Myrtle Beach and Sumter MSAs and in Clarendon County was adequate given available opportunities.

Given the many community development opportunities available in the Columbia MSA, NBSC's performance in the Columbia MSA was poor. Numerous CD organizations were identified by OCC Community Reinvestment and Development Specialists. During this evaluation period, the bank made \$59,000 in qualified investments, all of which consisted of contributions to qualified CD organizations. A prior (1994) qualified CD equity investment was also in the Columbia MSA. This equity investment was to the Business Development Corporation of South Carolina which originates small business loans under the Small Business Administration's 504 Loan Program. The bank was not able to provide information on the number of loans originated by this organization during this evaluation period.

Given CD opportunities available in the Sumter MSA, NBSC's performance in the Sumter MSA was adequate. The bank had a low level of qualified investments which consisted entirely of a portion of a

pass-through security backed by loans to small businesses derived from the Community Development Block Grant (CBDG) program. The CBDG program requires that grant funds be used by state and local governments for one of the following purposes: (i) for the benefit of low and moderate income families, (ii) to aid in the prevention or elimination of slums and blight, (iii) to meet other community development needs which pose a threat to the health and welfare of the community.

Given CD opportunities available in the Myrtle Beach MSA, NBSC's performance in the Myrtle Beach MSA was adequate. The bank had a low level of qualified investments which consisted entirely of a portion of a pass-through security backed by loans to small businesses derived from the Community Development Block Grant (CBDG) program.

Given CD opportunities available in Clarendon County, NBSC's performance in the Clarendon County was adequate. The bank had a low level of qualified investments which consisted entirely of a portion of a pass-through security backed by loans to small businesses derived from the Community Development Block Grant (CBDG) program.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Florence MSA and Greenville/Spartanburg MSA was not inconsistent with the bank's overall Low Satisfactory performance under the Investment Test.

In the Charleston MSA, the bank's performance was stronger than the bank's overall performance. The Charleston MSA contains 13% of bank deposits (or approximately \$156 million) but has 63% of the bank's qualified CD investments. The majority of these investments consist of pass through securities backed by residential mortgages to low and moderate income people.

In the three nonmetropolitan counties of Beaufort/Kershaw/Lee, the bank's performance was weaker than the bank's overall performance; however, it did not change the overall Investment rating. Refer to table 12 in Appendix C for the facts and data that support these conclusions.

### **SERVICE TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated **Low Satisfactory**. Based on the full scope reviews, the bank's performance in the Columbia, Sumter, and Myrtle Beach MSAs and Clarendon County the bank's performance under the Service Test was adequate.

## **Retail Banking Services**

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

There were no branch openings or closings in full-scope assessment areas during this evaluation period. Alternative delivery systems in all assessment areas consisted solely of ATMs. These ATMs did not increase the effectiveness of delivering retail banking services to low and moderate income tracts and to low and moderate income people. The bank offers a full range of services at each branch. Branch hours are tailored to the needs of surrounding communities.

The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels within the Columbia MSA. The bank has no branches in low income tracts. The percent of bank offices in moderate income tracts was lower than the percent of the population in moderate income geographies.

The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels within the Sumter MSA. There are no low income tracts in the Sumter MSA. The percent of bank offices in moderate income tracts was somewhat lower than the percent of the population in moderate income geographies.

The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels within the Myrtle Beach MSA. The percent of bank offices in low income tracts was somewhat lower than the percent of the population in low income tracts. The percent of bank offices in moderate income geographies exceeded the percent of the population in moderate income geographies.

The bank's delivery systems are accessible to geographies and individuals of different income levels within Clarendon County. There are no low income geographies. The percent of bank offices in moderate income tracts was near the percent of the population in moderate income geographies.

## **Community Development Services**

The bank provided a very poor level of community development services. The bank provided no community development services during this evaluation period.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited scope reviews, the bank's performance under the Service Test in the Charleston MSA, the Florence MSA, the Greenville/Spartanburg MSA, and the three nonmetropolitan counties of

Beaufort/Kershaw/Lee was not inconsistent with the bank's overall Low Satisfactory performance under the Service Test.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “Full-Scope”) and those that received a less comprehensive review (designated by the term “Limited-Scope”).

<b>Time Period Reviewed</b>	Lending Test: (January 1 1997 to December 31, 1998) Investment Test: (January 1, 1997 to September 27, 1999) Service Test: (January 1, 1997 to September 27, 1999)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
National bank of South Carolina Columbia, South Carolina	HMDA loans Small Business Loans Small Farm Loans Community Development Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
List of Assessment Areas and Type of Examination		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Columbia MSA Myrtle Beach MSA Sumter MSA Clarendon County  Charleston MSA Florence MSA Greenville MSA 3 non-MSA Counties (Beaufort, Kershaw, Lee)	Full-Scope Full-Scope Full-Scope Full-Scope  Limited-Scope Limited-Scope Limited-scope Limited-Scope	None

## Appendix B: Market Profiles for Full-Scope Areas

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#### Market Profiles for Areas Receiving Full-Scope Reviews

Columbia MSA . . . . .	1
Myrtle Beach MSA . . . . .	2
Sumter MSA . . . . .	3
Clarendon County . . . . .	4

1. Columbia MSA

Demographic Information for Full-Scope Area: Columbia MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	106	10%	24%	40%	24%	2%
Population by Geography	453,331	6%	23%	45%	26%	< 1%
Owner-Occupied Housing by Geography	107,051	2%	19%	47%	32%	0%
Businesses by Geography	19,696	9%	24%	42%	25%	0%
Farms by Geography	595	1%	28%	49%	22%	0%
Family Distribution by Income Level	116,038	19%	18%	24%	39%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	116,038	4%	21%	47%	28%	0%
Median Family Income = \$36,610		Median Housing Value = \$74,815				
HUD Adjusted Median Family Income for 1998 = \$49,400		Unemployment Rate = 2.6%				
Households Below the Poverty Level = 12%						

Source: 1990 U.S. Census and 1998 HUD updated MFI.

**Description of Assessment Area**

The Columbia MSA consists of two counties (Lexington and Richland) and three cities (Columbia, West Columbia, and Cayce). Columbia, the capital of South Carolina, is the state’s largest city and is home to Fort Jackson Army Base and the University of South Carolina. The economy of the Columbia MSA is supported by manufacturing, wholesale, retail business, and government entities. Home ownership in Columbia is declining as more families are unable to afford their own homes. Shrinking home ownership threatens stability and future growth of Columbia. Construction tends to accommodate only singles and smaller families. Neighborhood and commercial development is very limited throughout the city.

During this examination, four community groups were contacted to help determine credit needs and CD opportunities. We also reviewed Consolidated Department of Housing and Urban Development (HUD) plans for the AA. Our contacts identified single family affordable housing for low and moderate income people and small business loans as credit needs.

There are 11 other major financial institutions that have offices in Columbia. These include several branches of multi-state regional banks and several local independent banks. NBSC’s primary business

focus in this AA is small business lending. The bank’s market rank for small business loans is sixth in this AA. NBSC had an 8% deposit market share in the Columbia MSA.

**2. Myrtle Beach MSA**

Demographic Information for Full-Scope Area: Myrtle Beach MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	39	3%	15%	62%	20%	0%
Population by Geography	144,053	2%	15%	69%	14%	0%
Owner-Occupied Housing by Geography	38,305	2%	14%	69%	15%	0%
Businesses by Geography	8,929	1%	17%	60%	22%	0%
Farms by Geography	365	1%	35%	60%	4%	0%
Family Distribution by Income Level	40,552	19%	19%	23%	39%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	40,552	2%	14%	69%	15%	0%
Median Family Income	= \$28,712	Median Housing Value		= \$85,598		
HUD Adjusted Median Family Income for 1998	= \$40,400	Unemployment Rate		2.9%		
Households Below the Poverty Level	= 15%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

**Description of Assessment Area**

The Myrtle Beach MSA AA includes the entire MSA known as the Grand Strand which includes Georgetown and Horry Counties. The center of the Grand Strand is the City of Myrtle Beach. NBSC’s AA within the Myrtle Beach MSA consists of 39 census tracts. Of these, 3% are low income, 15% are moderate income, 62% are middle income and 20% are upper income.

Myrtle Beach is a city with radical seasonal swings that characterize most resort cities. Tourism is a major industry of the Grand Strand. During the summer, business peaks at hotels restaurants, shops and entertainment centers. Tourists generate jobs for permanent residents, long-distance commuting service workers and college students. Approximately 70% of all employment in Horry County is tourism. Historically, Myrtle Beach, which has a service oriented economy, has been North and South Carolina’s regional summer vacation resort. Jobs tend to be seasonal, low-paying, and mostly devoid of benefits. Other major employers include the Georgetown and Horry County School Districts, International Paper, and AVX.

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Major competitors in the AA include five National Banks, six Federal State Banks, and three Savings & Loan Banks. NBSC ranks eighth in deposit market share in the Myrtle Beach MSA. NBSC's primary business focus in this AA is small business lending.

### 3. Sumter MSA

Demographic Information for Full-Scope Area: Sumter MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	23	NA	39%	39%	17%	5%
Population by Geography	102,637	NA	42%	35%	23%	0%
Owner-Occupied Housing by Geography	21,328	NA	26%	44%	30%	0%
Businesses by Geography	2,809	NA	38%	32%	30%	0%
Farms by Geography	157	NA	20%	64%	16%	0%
Family Distribution by Income Level	25,997	21	18%	21%	40%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	25,997	NA	35%	38%	27%	0
Median Family Income = \$26,617		Median Housing Value = \$54,307				
HUD Adjusted Median Family Income for 1998 = \$36,200		Unemployment Rate = 5.1%				
Households Below the Poverty Level = 20%						

Source: 1990 U.S. Census and 1998 HUD updated MFI.

### Description of Assessment Area

Sumter is located approximately 45 miles east of Columbia, the State capital. The Sumter area economy relies on basic materials such as lumber, wood, stone, clay, glass, metals, food and textiles. Economic conditions in Sumter have been improving. The county's poverty rate of 20% is higher than the 15% poverty level of the State of South Carolina. According to the local Chamber of Commerce, the federal government has recognized Sumter's effort to improve the community, designating the community as an Empowerment Zone that will bring in \$30 million in federal funding over the next 10 years. These funds will be used on a variety of community projects, including job placement programs, industrial training, social service facilities and child-care for low income areas. Sumter is home to more than 100 industries, including nine Fortune 500 companies and seven international firms. The area's largest employers include: Shaw Air Force Base, Gold Kist, Inc., Tuomey Health Care System, Santee Print Works, Sumter School District, Caterpillar, Inc. and Bosch Braking Systems. In addition, there are three colleges located in Sumter.

Major competitors in the AA include three National Banks and four Federal State Banks. NBSC ranks first with its 31% deposit market share in the Sumter MSA. NBSC's primary business focus in this AA is small business lending. The bank's market rank for small business loans in this AA is number one. NBSC had a 31% deposit market share in the Sumter MSA.

**4. Clarendon County**

Demographic Information for Full-Scope Area: Clarendon County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	8	NA	50%	50%	NA	0
Population by Geography	28,450	NA	54%	46%	NA	0
Owner-Occupied Housing by Geography	7,386	NA	52%	48%	NA	0
Businesses by Geography	788	NA	63%	37%	NA	0
Farms by Geography	110	NA	60%	40%	NA	0
Family Distribution by Income Level	7,520	33%	18%	22%	27%	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,520	NA	46%	54%	NA	0
Median Family Income	= \$21,316	Median Housing Value		= \$45,962		
HUD Adjusted Median Family Income for 1998	= \$38,800	Unemployment Rate		7.6%		
Households Below the Poverty Level	=29%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

**Description of Assessment Area**

The bank’s AA includes the entire county of Clarendon which is primarily a rural community. NBSC’s AA within the Clarendon County consists of 8 census tracts. Of these, 50% are moderate income and 50% are middle income. There are no low and upper income census tracts. As of June 30, 1998, NBSC had 5% of its deposits in Clarendon County. NBSC operates 2 branches and 2 ATMs in the AA.

Major competitors in the AA include two Federal State Banks and one Savings & Loan Banks. NBSC ranked second in deposit market share in Clarendon County with a 36% deposit share. NBSC’s primary business focus in this AA is small business lending. The bank’s market rank for this small business loans is number one in this AA.

The local economy is supported by small business retail, services, manufacturing, construction, agriculture and government entities.

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## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

The tables cover the entire CRA evaluation period. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations** - See Table 2.
- Table 4. Geographic Distribution of HMDA Refinance Loan Originations** - See Table 2.
- Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (<\$500,000) to farms originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table

also presents market rank and market share information based on the most recent aggregate market data available.

**Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations** - See Table 7.

**Table 9. Borrower Distribution of HMDA Refinance Loan Originations** - See Table 7.

**Table 10. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (<\$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (<\$500 thousand) originated by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

**Table 13. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

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Table 1. Lending Volume

LENDING VOLUME												
State: South Carolina												
Evaluation Period: January 1, 1997 TO December 31, 1998												
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Columbia MSA	30%	267	\$33,715	1,065	\$143,606	11	\$486	1	\$183	1,344	\$177,990	13%
Myrtle Beach MSA	13%	475	\$38,187	1,133	\$137,681	276	\$8,434	0	\$0	1,884	\$184,302	18%
Sumter MSA	14%	287	\$16,147	821	\$62,640	102	\$8,861	0	\$0	1,210	\$87,648	11%
Clarendon County	5%	180	\$6,728	690	\$23,117	264	\$12,316	0	\$0	1,134	\$42,161	10%
Limited-Scope:												
Charleston MSA	13%	390	\$41,313	640	\$79,316	6	\$754	0	\$0	1,036	\$121,383	10%
Florence MSA	6%	198	\$7,833	1,101	\$51,670	400	\$11,342	0	\$0	1,699	\$70,845	16%
Greenville/Spartanburg MSA	10%	272	\$27,146	1,275	\$124,376	22	\$2,996	1	\$194	1,570	\$154,712	15%
3 non-MSA Counties (Beaufort , Kershaw, Lee)	9%	148	\$16,063	510	\$28,169	134	\$9,304	0	\$0	792	\$53,536	7%

**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE																
State: South Carolina																
Evaluation Period: January 1, 1997 TO December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope																
Columbia MSA	2%	2%	19%	7%	47%	36%	32%	55%	42	1	0	1	< 1	1	110	12%
Myrtle Beach MSA	2%	0%	14%	8%	69%	56%	15%	36%	15	2	0	1	2	2	263	29%
Sumter MSA	NA	NA	26%	21%	44%	28%	30%	51%	12	2	NA	2	2	3	97	11%
Clarendon County	NA	NA	52%	81%	48%	19%	NA	NA	5	5	NA	6	5	NA	42	4%
Limited-Scope																
Charleston MSA	2%	0%	15%	6%	53%	47%	30%	47%	39	1	0	1	< 1	1	160	18%
Florence MSA	5%	0%	21%	38%	44%	44%	30%	18%	20	1	0	4	2	< 1	45	5%
Greenville/Spartanburg MSA	1%	1%	13%	15%	64%	43%	22%	41%	38	1	1	1	1	1	158	17%
3 non-MSA Counties (Beaufort , Kershaw, Lee)	NA	NA	6%	0%	55%	51%	39%	49%	12	2	NA	0	2	2	41	4%

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT																	State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full-Scope:																				
Columbia MSA	2%	0%	19%	0%	47%	70%	32%	30%	29	1	0	0	< 1	1	10	4%				
Myrtle Beach MSA	2%	0%	14%	57%	69%	28%	15%	15%	7	5	0	14	1	10	40	18%				
Sumter MSA	NA	NA	26%	37%	44%	41%	30%	22%	1	17	NA	20	14	21	46	21%				
Clarendon County	NA	NA	52%	78%	48%	22%	NA	NA	1	55	NA	62	52	NA	55	25%				
Limited-Scope:																				
Charleston MSA	2%	9%	15%	9%	53%	55%	30%	27%	26	< 1	0	1	1	< 1	11	5%				
Florence MSA	5%	0%	21%	68%	44%	26%	30%	6%	4	8	0	15	6	2	35	16%				
Greenville/Spartanburg MSA	1%	11%	13%	0%	64%	56%	22%	33%	32	1	0	1	1	1	9	4%				
3 non-MSA Counties (Beaufort , Kershaw, Lee)	NA	NA	6%	13%	55%	75%	39%	12%	5	10	NA	50	14	7	16	7%				

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE																State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
Columbia MSA	2%	0%	19%	15%	47%	31%	32%	54%	51	1	0	< 1	< 1	1	147	14%			
Myrtle Beach MSA	2%	0%	14%	29%	69%	49%	15%	22%	12	2	0	5	2	2	172	16%			
Sumter MSA	NA	NA	26%	17%	44%	37%	30%	46%	8	4	NA	3	3	5	144	13%			
Clarendon County	NA	NA	52%	88%	48%	12%	NA	NA	1	20	NA	23	15	NA	83	8%			
Limited-Scope:																			
Charleston MSA	2%	0%	15%	5%	53%	45%	30%	50%	31	1	0	1	1	1	219	20%			
Florence MSA	5%	0%	21%	51%	44%	37%	30%	12%	1	5	0	11	6	1	118	11%			
Greenville/Spartanburg MSA	1%	2%	13%	11%	64%	37%	22%	50%	56	< 1	0	1	< 1	1	105	10%			
3 non-MSA Counties (Beaufort , Kershaw, Lee)	NA	NA	6%	3%	55%	43%	39%	54%	4	5	NA	9	7	3	91	8%			

(\*) Based on 1997 Aggregate HMDA Data only.

Table 5. Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS																	State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans					
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full-Scope:																				
Columbia MSA	9%	8%	24%	25%	42%	35%	25%	32%	6	7	9	8	6	6	1,065	15%				
Myrtle Beach MSA	1%	1%	17%	42%	60%	35%	22%	22%	3	9	1	29	5	10	1,133	16%				
Sumter MSA	NA	NA	38%	32%	32%	33%	30%	35%	1	34	NA	38	30	39	821	11%				
Clarendon County	NA	NA	63%	46%	37%	54%	NA	NA	1	73	NA	65	78	NA	690	9%				
Limited-Scope:																				
Charleston MSA	5%	4%	19%	14%	45%	37%	31%	45%	8	5	5	5	4	6	640	9%				
Florence MSA	8%	1%	19%	58%	46%	30%	27%	11%	1	30	5	66	22	13	1,101	15%				
Greenville/Spartanburg MSA	7%	6%	16%	14%	54%	46%	23%	34%	9	6	8	7	5	7	1,275	18%				
3 non-MSA Counties (Beaufort, Kershaw, Lee)	NA	NA	1%	2%	45%	52%	54%	46%	3	10	NA	12	11	10	510	7%				

(\*) Based on 1997 Aggregate Small Business Data only.

**Table 6. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM																
State: South Carolina																
Evaluation Period: January 1, 1997 TO January 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Columbia MSA	1%	0%	28%	9%	49%	27%	22%	64%	5	11	0	4	10	19	11	1%
Myrtle Beach MSA	1%	0%	35%	76%	60%	22%	4%	2%	2	28	NA	57	11	13	276	23%
Sumter MSA	NA	NA	20%	13%	64%	65%	16%	22%	1	66	NA	67	62	85	102	8%
Clarendon County	NA	NA	60%	56%	40%	44%	NA	NA	1	97	NA	96	97	NA	264	22%
Limited-Scope:																
Charleston MSA	1%	0%	15%	17%	55%	50%	29%	33%	3	6	0	0	9	17	6	< 1
Florence MSA	3%	0%	28%	54%	39%	45%	30%	1%	1	89	0	92	88	67	400	33%
Greenville/Spartanburg MSA	1%	5%	14%	41%	63%	27%	22%	27%	2	21	50	86	9	28	22	2%
3 non-MSA Counties (Beaufort , Kershaw, Lee)	NA	NA	2%	30%	47%	59%	51%	11%	1	77	NA	85	73	79	134	11%

(\*) Based on 1997 Aggregate Small Farm Data only.

**Table 7. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE																State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
Columbia MSA	19%	5%	18%	13%	24%	19%	39%	63%	42	1	< 1	< 1	< 1	1	110	12%			
Myrtle Beach MSA	19%	1%	19%	8%	23%	19%	39%	72%	15	2	< 1	1	2	3	263	29%			
Sumter MSA	21%	8%	18%	4%	21%	21%	40%	67%	12	2	2	< 1	3	5	97	11%			
Clarendon County	33%	2%	18%	5%	22%	17%	27%	76%	5	5	0	1	1	16	42	4%			
Limited-Scope:																			
Charleston MSA	20%	3%	18%	16%	23%	25%	39%	56%	39	1	1	1	1	1	160	18%			
Florence MSA	24%	20%	16%	14%	19%	27%	41%	39%	20	1	3	1	2	2	45	5%			
Greenville/Spartanburg MSA	19%	3%	18%	18%	24%	29%	39%	50%	38	1	< 1	1	1	1	158	17%			
3 non-MSA Counties (Beaufort , Kershaw, Lee)	17%	5%	14%	12%	20%	22%	49%	61%	12	2	4	1	2	1	41	4%			

(\*) As a percentage of loans with borrower income information available. No information was available for 2% of loans originated by NBSC.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 8. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HOME IMPROVEMENT																	State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans					
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full-Scope:																				
Columbia MSA	19%	20%	18%	10%	24%	40%	39%	30%	29	1	1	0	1	< 1	10	4%				
Myrtle Beach MSA	19%	13%	19%	32%	23%	33%	39%	22%	7	5	13	0	8	3	40	18%				
Sumter MSA	21%	20%	18%	32%	21%	7%	40%	41%	1	17	29	24	2	19	46	21%				
Clarendon County	33%	9%	18%	34%	22%	33%	27%	24%	1	55	50	79	67	29	55	25%				
Limited-Scope:																				
Charleston MSA	20%	20%	18%	30%	23%	40%	39%	10%	26	< 1	2	1	0	< 1	11	5%				
Florence MSA	24%	18%	16%	26%	19%	29%	41%	27%	4	8	13	7	9	5	35	16%				
Greenville/Spartanburg MSA	19%	22%	18%	11%	24%	33%	39%	34%	32	1	0	0	< 1	< 1	9	4%				
3 non-MSA Counties (Beaufort , Kershaw, Lee)	17%	31%	14%	19%	20%	19%	49%	31%	5	10	20	9	3	11	16	7%				

(\*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated by NBSC.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HOME MORTGAGE REFINANCE					State: South Carolina				Evaluation Period: January 1, 1997 TO December 31, 1998							
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Columbia MSA	19%	2%	18%	6%	24%	22%	39%	70%	51	1	< 1	< 1	< 1	1	147	14%
Myrtle Beach MSA	19%	5%	19%	13%	23%	21%	39%	61%	12	2	1	1	2	3	172	16%
Sumter MSA	21%	3%	18%	11%	21%	19%	40%	67%	8	4	2	3	4	6	144	13%
Clarendon County	33%	7%	18%	18%	22%	17%	27%	58%	1	20	20	24	17	26	83	8%
Limited-Scope:																
Charleston MSA	20%	4%	18%	7%	23%	20%	39%	69%	31	1	1	< 1	1	2	219	20%
Florence MSA	24%	9%	16%	17%	19%	28%	41%	46%	1	5	6	6	6	5	118	11%
Greenville/Spartanburg MSA	19%	3%	18%	8%	24%	16%	39%	73%	56	< 1	< 1	< 1	< 1	1	105	10%
3 non-MSA Counties (Beaufort , Kershaw, Lee)	17%	3%	14%	6%	20%	16%	49%	75%	4	5	10	2	4	5	91	8%

(\*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated by NBSC.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 10. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS												State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998								
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans													
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size											
Full-Scope:																						
Columbia MSA	80%	58%	66%	67%	18%	15%	7	6	1,065	15%	\$136											
Myrtle Beach MSA	85%	87%	84%	88%	7%	5%	9	9	1,133	16%	\$55											
Sumter MSA	83%	54%	53%	82%	11%	7%	34	31	821	11%	\$74											
Clarendon County	87%	90%	81%	93%	5%	2%	73	79	690	9%	\$32											
Limited-Scope:																						
Charleston MSA	80%	64%	59%	74%	13%	13%	5	6	640	9%	\$125											
Florence MSA	82%	76%	62%	90%	5%	5%	30	36	1,101	15%	\$46											
Greenville/Spartanburg MSA	79%	63%	65%	80%	12%	8%	6	5	1,275	18%	\$100											
3 non-MSA Counties (Beaufort , Kershaw, Lee)	84%	72%	71%	87%	8%	5%	10	9	510	7%	\$56											

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 11% of loans originated by NBSC.

(\*\*\*) The market consists of all other Small Business reporters in NBSC's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.

**Table 11. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM												State: South Carolina		Evaluation Period: January 1, 1997 TO December 31, 1998								
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans													
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size											
Full-Scope:																						
Columbia MSA	93%	18%	82%	91%	0%	9%	11	0	11	1%	\$1											
Myrtle Beach MSA	94%	52%	74%	92%	6%	2%	28	2	276	23%	\$7											
Sumter MSA	97%	53%	51%	80%	6%	14%	66	46	102	8%	\$10											
Clarendon County	95%	51%	13%	85%	10%	5%	97	78	264	22%	\$16											
Limited-Scope:																						
Charleston MSA	91%	17%	61%	66%	17%	17%	6	0	6	< 1%	\$1											
Florence MSA	89%	45%	14%	95%	4%	1%	89	33	400	33%	\$11											
Greenville/Spartanburg MSA	92%	59%	87%	59%	27%	14%	21	13	22	2%	\$2											
3 non-MSA Counties (Beaufort , Kershaw, Lee)	88%	47%	38%	81%	9%	10%	77	45	134	11%	\$72											

(\*) As a percentage of farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 71% of loans originated by NBSC.

(\*\*\*) The market consists of all other Small Farm reporters in NBSC's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS										State: South Carolina		Evaluation Period: January 1, 1997 TO December 31 1998	
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments						
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s				
Full-Scope:													
Columbia MSA	1	\$100	100%	30	\$59	2%	31	\$159	4%				
Myrtle Beach MSA	0	0	0	1	\$128	3%	1	\$128	3%				
Sumter MSA	0	0	0	1	\$167	4%	1	\$167	4%				
Clarendon County	0	0	0	1	\$276	7%	1	\$276	7%				
Limited-Scope:													
Charleston MSA	0	0	0	6	\$2,472	65%	6	\$2,472	63%				
Florence MSA	0	0	0	4	\$114	3%	4	\$114	39%				
Greenville/Spartanburg MSA	0	0	0	11	\$609	16%	14	\$609	16%				
3 non-MSA Counties (Beaufort , Kershaw, Lee)	0	0	0	0	0	\$0	0	0	\$0				

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: South Carolina Evaluation Period: January 1, 1997 TO December 31, 1998																	
MSA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Columbia MSA	30%	10	23%	0%	20%	50%	30%	9	23%	0%	11%	56%	33%	6%	23%	45%	26%
Myrtle Beach MSA	13%	4	9%	0%	25%	25%	50%	4	10%	0%	25%	25%	50%	2%	15%	69%	14%
Sumter MSA	14%	5	12%	NA	20%	20%	60%	4	10%	NA	0%	25%	75%	NA	42%	35%	23%
Clarendon County	5%	2	5%	NA	50%	50%	NA	2	5%	NA	50%	50%	NA	NA	54%	46%	NA
Limited-Scope:																	
Charleston MSA	13%	9	21%	0%	22%	33%	45%	8	20%	0%	25%	37%	38%	4%	18%	51%	27%
Florence MSA	6%	3	7%	0%	33%	67%	0%	3	8%	0%	67%	33%	0%	8%	23%	43%	26%
Greenville/Spartanburg MSA	10%	7	16%	14%	0%	14%	72%	5	12%	0%	0%	20%	80%	2%	16%	60%	22%
3 non-MSA Counties (Beaufort , Kershaw, Lee)	9%	3	7%	NA	0%	67%	33%	5	12%	NA	0%	60%	40%	NA	6%	61%	33%