

PUBLIC DISCLOSURE

September 30, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Bank of Columbia, N.A.
Charter #21542
1350 Main Street
Columbia, SC 29211**

**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 **Bank of Columbia, N. A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of September 30, 1997. 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.

The institutions record of lending to borrowers within its assessment area is good. The distribution of loans by income and geography reflects reasonable penetration. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified.

The following table indicates the performance level of Bank of Columbia, N.A. with respect to each of the five performance criteria.

BANK OF COLUMBIA, N.A.			
Performance Levels			
<i>SMALL INSTITUTION ASSESSMENT CRITERIA</i>	<i>Exceeds Standards for Satisfactory Performance</i>	<i>Meets Standards for Satisfactory Performance</i>	<i>Does not meet Standards for Satisfactory Performance</i>
<i>Loan-to-Deposit Ratio</i>		X	
<i>Lending in Assessment Area</i>	X		
<i>Lending to Borrowers of Different Incomes and to Businesses of Different Sizes</i>		X	
<i>Geographic Distribution of Loans</i>		X	
<i>Response to Complaints</i>	No Complaints Received		

DESCRIPTION OF INSTITUTION

Bank of Columbia is a one office institution located in downtown Columbia, South Carolina. In addition to the main office, the bank also has a remote drive-thru located approximately one-half mile from the main office. The bank opened for business on July 12, 1988 and is a subsidiary of ComSouth Bankshares, Incorporated. The bank and drive-thru facility are located within a moderate-income census tract with adjacent census tracts designated as low- and moderate-income level tracts.

Average assets were \$86 million as of September 30, 1997 with gross loans representing 77% of average assets. The loan portfolio is comprised of the following loan types:

- 38% Commercial and Industrial Loans
- 26% 1-4 Family Residential, Construction, Home Equity
- 32% Non-farm, Non-residential real estate
- 4% Consumer Loans

As illustrated above, the majority of the bank's lending is centered in commercial loan products, which is consistent with the institution's overall strategic goals and objectives. The bank's residential mortgage lending is limited. As a result of this business strategy, the focus of this review relies heavily on the bank's service to the small business segment within their assessment area. There are no financial or legal impediments restricting the lending activities of the bank. During the first nine months of 1997 the bank originated 636 loans totaling \$35 million.

DESCRIPTION OF THE ASSESSMENT AREA

The bank's assessment area is located within the Columbia, South Carolina Metropolitan Statistical Area (MSA). The bank has defined its assessment area as the Columbia MSA which is comprised of Richland and Lexington counties. The bank's assessment area meets the legal requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

There are 11 low-income census tracts within the assessment area representing 10% of the total census tracts. We identified 25 moderate-income census tracts which equals 24% of the total. There are 42 middle income tracts which represents 40% of the total census tracts, and 26 upper income tracts which equals 25% of the total tracts within the assessment area. The remaining 2 census tracts, representing 2% of the total, showed no families in residence as of 1990. The 1990 census reported the Columbia MSA population at 453,331. Lending to borrowers of different incomes was evaluated on the basis of the 1997 statewide MSA median family income of \$44,300.

The Columbia area houses a vast array of business activity. Major employers for the area include the University of South Carolina, the state government, a large military installation (Fort Jackson), hospitals, and numerous financial institutions. Competition in the area is extensive and includes several regional banks, saving and loans, and a few community banks located within the Columbia MSA. The bank's main competitors in their primary market are larger regional institutions with much larger asset structures. The bank has no direct peer within its marketplace that is comparable in size and business philosophy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

The average loan-to-deposit ratio since the previous CRA examination in 1995 is good at 80%. Although the bank has no direct peer within the Columbia MSA, this ratio compares favorably to other national banks in South Carolina, with an average loan-to-deposit ratio of 74%. National banks with average assets between \$50 million and \$100 million are considered peer banks for comparative purposes.

Lending in the Assessment Area

A substantial majority of the bank's lending is within its defined assessment area. We compiled a sample of the bank's lending patterns using 1997 HMDA data through September 30, 1997. The results of this sample indicated that 93% of the total number of all loans, and 95% of the total dollar amount of all loans, were made to borrowers within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The institution's distribution of lending reflects reasonable penetration among businesses of different sizes. A sample of commercial loans originated during 1997 was used to determine the bank's distribution of lending to small businesses. Small businesses are defined as companies with less than \$1million in annual revenues. A summary of findings is provided in the following chart:

1997 Small Business Originations					
# Cml Originations	\$ Cml Originations	# Sm Bus Originations	% of Cml Originations	\$ Sm Bus Originations	% of Cml Originations
417	\$27,998,000	184	44%	\$9,635,000	34%

* Based on 1997 YTD (nine months ending September 30) Commercial Originations

Small business loans of \$100,000 or less make up a substantial portion of the bank's commercial portfolio. Out of 184 originations to small businesses, 170 loans were originated at or below \$100,000.

We also reviewed a sample of home mortgage and home improvement loans originated during 1997 to determine the bank's distribution of lending to borrowers of different incomes. A summary of these findings is detailed below:

HMDA Originations to Borrower's of Different Income Levels				
Income Category	# of Loans	% of Orig	\$ of Loans	% of Orig
Low	1	2%	5,000	0%
Moderate	4	7%	338,000	9%
Middle	6	11%	201,000	5%
Upper	45	80%	3,230,000	86%

* Based on 1997 YTD HMDA LAR data (9 months)

The bank's assessment area is comprised of 20% low-income, 18% moderate-income, 24% middle-income, and 38% upper-income families. While the bank's consumer lending patterns are low when compared to the percentages of families in the low- and moderate-income categories, the bank maintains a very small portfolio of HMDA related products. Consumer lending products are not widely marketed by the bank, and therefore, this sample is a limited representation of the bank's overall lending practices. Additionally, the bank's strategic goals have positioned the bank to emphasize the commercial lending products which contributes to the limited consumer mortgage portfolio.

Geographic Distribution of Loans

Distribution of small business credits within the assessment area is also reasonable. In addition to the mortgage related sample detailed above, we also reviewed a three month sample of small business loans originated during 1997. The following table demonstrates the bank's satisfactory penetration throughout the assessment area.

Small Business Originations				
Bank of Columbia			Columbia MSA	
Census Tracts	# of Loans	% of Orig	# of Sm Bus	% of Sm Bus
Low	4	8%	1,040	11%
Moderate	17	32%	2,386	25%
Middle	16	30%	3,947	41%
Upper	16	30%	2,154	23%

*Based on a three month sample of originations extended during 1997

The geographic distribution of credit within the assessment area also reflects reasonable penetration. We noted no conspicuous, unexplained gaps in the bank's lending patterns. We based these findings on a review of 68 home mortgage and home improvement loans originated in 1997. The results of this sample are illustrated in the following table:

HMDA Originations for 1997				
Census Tracts	# of Loans	% of Orig	\$ of Loans	% of Orig
Low	3	4%	388,000	8%
Moderate	9	13%	344,000	7%
Middle	16	24%	1,084,000	22%
Upper	40	59%	2,716,000	63%

* Based on 1997 (nine months ending September 30) HMDA LAR data

The percentages of originations extended to borrowers residing in low- and moderate-income census tracts is relatively consistent with the MSA demographics. The Columbia MSA demographics show 4% of the families within the MSA reside in low-income census tracts, while 21% of families reside in moderate-income census tracts.

Review of Complaints

The bank has received no complaints during the assessment period.

Institution's Record of Complying with the Anti-discrimination Laws

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act. During our examination, we tested automobile loans to determine if similarly situated applicants had an equal chance of obtaining a loan. This testing disclosed no evidence of disparate treatment on a prohibited basis.