



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**May 13, 2002**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Greenville First Bank, National Association  
Charter Number 23919**

**112 Haywood Road  
Greenville, SC 29607**

**Comptroller of the Currency  
ADC - Carolinas  
6100 Fairview Road Suite 1154  
Charlotte, NC 28210**

**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.**

## TABLE OF CONTENTS

<b>General Information.....</b>	<b>2</b>
<b>Institution's CRA Rating.....</b>	<b>2</b>
<b>Description of Institution .....</b>	<b>2</b>
<b>Description of Greenville County.....</b>	<b>3</b>
<b>Conclusions About Performance Criteria .....</b>	<b>4</b>

## 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 Greenville First Bank, NA, Greenville, South Carolina as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of May 13, 2002. 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 following factors support this overall rating:

- C ***Loan to Deposit Ratio*** - The institution exhibits a **good** loan-to-deposit ratio.
- C ***Lending in Assessment Area*** - The institution's record of lending to borrowers within its assessment area is **good**.
- C ***Lending to Borrowers of Different Incomes and Sizes*** - The institution's record of lending to borrowers' of different income levels and businesses of different sizes is **good**.
- X ***Geographic Distribution of Loans*** - The institution's distribution of loans within its assessment area by geography is **adequate**.
- X ***Response to Complaints*** - The bank has not received any CRA related complaints since the institution began operations on January 10, 2000.

### Description of Institution

Greenville First Bank had \$96.5 million in gross loans and \$118.7 million in total assets as of December 31, 2001. The bank is wholly owned by Greenville First Bancshares, Inc., a one-bank holding company. The bank opened for business on January 10, 2000 and currently operates from only its main office location. The main office is located in an upper income census tract within the city of Greenville (Greenville County) South Carolina. No branch facilities have been opened or closed since the bank opened. The bank offers checking, savings, money market and time deposits. The bank has one proprietary automated teller machine located in its drive-thru area.

Table 1 shown below, provides a breakdown of the bank's loan portfolio by loan category, dollar volume and percentage according to the Uniform Bank Performance Report as of December 31, 2001.

Table 1 - Breakdown by Loan Type

<b>TYPES OF DOMESTIC LOANS OUTSTANDING</b>		
<b>December 31, 2001</b>		
<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Commercial, Industrial and Non-farm, Non-residential Real Estate Loans	\$47,536	49.25
1-4 Family Residential Loans	\$14,623	15.15
Construction, Land Development, 5 or more residential	\$22,660	23.47
Installment Loans and other revolving credit plans	\$ 2,635	2.73
1-4 Family Home Equity Loans	\$ 9,055	9.38
Other Loan Types, excludes consumer loans	\$ 23	0.02
<b>Total</b>	<b>\$96,532</b>	<b>100%</b>

Based on lending volume since inception through the date of evaluation, the bank's primary business focus is commercial lending and, to a lesser extent, residential real estate lending. Our evaluation is based on an analysis of a sample of mortgage and commercial loans. The bank is not an agricultural lender and has made no agricultural loans.

The bank's office is reasonably accessible to all segments of the bank's assessment area. Its major competitors within its assessment area include Central Carolina Bank, The Peoples National Bank, Summit National Bank, and First Citizens Bank. The bank's competition also includes large financial institutions such as Bank of America, Wachovia, BB&T, and National Bank of South Carolina.

This is the bank's first CRA examination. This review disclosed no financial or legal impediments restricting the bank's lending activities.

## **Description of Greenville County**

The bank's assessment area has been defined as Greenville County, South Carolina. Greenville County consists of 85 census tracts, of which 6 are low-income, 18 are moderate-income, 38 are middle-income, and 23 are upper-income geographies. Approximately 88,560 families reside in the assessment area. Of this total, 18% are classified as low-income, 17% are moderate-income, 22% are middle-income, and 43% are upper income. The 1990 census reported the population of the assessment area at 320,167. The total occupied housing units are 131,645 with owner-occupied housing units at 62%, rental occupied housing at 32%, and vacant housing units at 6.7%.

The bank's assessment area meets the legal requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. Table 2 set forth on the next page, reflects the demographics for the assessment area (AA).

Table 2 - Population, Geographies, Median Family Income, and Economic Indicators

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<b>Population</b>	
Number of Households	122,987
<i>Median Family Income (MFI)</i>	
2001 HUD-Adjusted MFI	\$50,400
<b>Economic Indicators</b>	
Unemployment Rate, Greenville County*	2.4%
Unemployment Rate, State of South Carolina*	4.3%
Median Housing Value	\$67,369
% of Households Below Poverty Level	11.56%

\*Data obtained from the Greenville Chamber of Commerce as of May 2002.

Within the assessment area, the majority of commercial businesses are located in the middle income census tracts (58%). There are six low-income census tracts and 18 moderate-income census tracts with 8% and 14% of businesses, respectively, located in those tracts. Businesses located in middle and upper income census tracts represent 38% and 39%, respectively.

The overall economy of the bank's assessment area is experiencing a healthy expansion. The unemployment rate for the assessment area is below the state average, as illustrated above. There has been steady employment growth in the assessment area the past three years, primarily in construction, services, and trades. Manufacturing services and wholesale/retail trade are the largest employment sectors, each accounting for approximately one quarter of total employment in Greenville County. The largest employers in the assessment area include General Electric Company, Michelin North America, Lockheed Martin Aircraft, the Greenville School District, and the Greenville Hospital System.

Competition in the bank's assessment area includes other community banks, branches of regional institutions, credit unions, and finance companies. The bank's main competitors are branches of regional banks as well as other local community banks.

We determined the credit needs of the community through discussions with management and two local community contacts. The contacts consisted of the directors of two non-profit economic development agencies. Both contacts identified additional affordable housing (1-4 family dwellings, rentals, etc.), small business loans (start-ups), and consumer loans as the primary credit needs in the area. The contacts stated that financial institutions in the area are meeting the credit needs of the community.

## **Conclusions About Performance Criteria**

We determined that the bank's primary loan products were commercial and home mortgage loans. The bank is a Home Mortgage Disclosure Act (HMDA) reporter; however, the bank was exempted from reporting for the year 2000, its first year of operations. We randomly sampled 22 home mortgage loans and 22 commercial loans originated from January 10, 2000 and December 31, 2001, to determine the bank's performance.

## **Loan-to-Deposit Ratio**

The quarterly average loan-to-deposit ratio since the bank opened for business is good at 88.5%. Due to the bank's status as a new bank, there are no other similarly situated banks in the assessment area that can be used for comparison purposes. However, the bank's loan-to-deposit ratio compares reasonably to the national group ratio of 77.8% as of December 31, 2001.

## **Lending in Assessment Area**

The bank extends a substantial majority of its commercial loans within the assessment area. Based on a random sample of 22 business loans originated during the evaluation period, the bank extended 100% of the number of loans and dollar volume to small businesses (\$1.2 million) within the bank's assessment area. The bank granted 95% of the number, and 94% dollar volume, of HMDA reportable loans in its assessment area. The bank's performance is considered good.

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

The bank's distribution of home mortgages is reasonable. The bank originated 5% and 14% of its home mortgage loans to low and moderate-income borrowers, respectively. Demographic information shows that 18% of the families in the assessment area are low-income and 17% are moderate-income. The bank's poor performance to low-income borrowers is mitigated by the fact that 12% of the low-income families have incomes below the poverty level, which makes it difficult to afford and maintain a home. Table 3 set forth below illustrates the bank's record of home mortgage lending to borrowers of different income levels.

Table 3 - Borrowers of Different Incomes

<b>Home Mortgage Originations By Income Level</b>					
Census Tract	# of Loans Originations By Bank	% of Originations	\$ of Loan Originations By Bank (000's)	% of Originations	Assessment Area Demographics (% of Families)
Low	1	5%	\$68	2%	18%
Moderate	3	14%	\$329	10%	17%
Middle	1	5%	\$85	2%	22%
Upper	16	76%	\$2,880	86%	43%
<b>Total</b>	<b>21</b>	<b>100%</b>	<b>\$3,362</b>	<b>100%</b>	<b>100%</b>

We found the institution's small business lending reflects good penetration. Small businesses are defined as companies with gross annual revenues of \$1 million or less. Based on a random sample of 22 commercial loans originated during the evaluation period, the bank originated 20 loans totaling \$1.2 million to small businesses, representing 91% of number of loans and 90% of the dollar volume of the sample. Demographic information shows that 92% of the businesses in the assessment area are small businesses. The bank's lending to small businesses in the assessment area is good and is commensurate with demographics.

## Geographic Distribution of Loans

The bank originated four small business loans in low-income geographies (20%) and one in a moderate-income geography (5%). Demographics for the assessment area show that 8% of the businesses are located in low income and 14% are located in moderate-income geographies.

Table 4 - Commercial Lending to Various Geographies

<b>2000 / 2001 Sample Commercial Originations By Geography</b>					
Census Tract	# of Loans Originations by Bank	% of Originations	\$ of Loan Originations by Bank (000's)	% of Originations	Assessment Area Demographics
Low	4	20%	\$189	16%	8%
Moderate	1	5%	\$67	6%	14%
Middle	4	20%	\$211	18%	39%
Upper	11	55%	\$728	60%	39%
<b>Total</b>	<b>20</b>	<b>100%</b>	<b>\$1,195</b>	<b>100%</b>	<b>100%</b>

The bank's geographic distribution of home mortgage loans is adequate. The bank made no home mortgage loans in low-income geographies and approximately 10% in moderate-income geographies. This performance is reasonable, although it is below demographic data that shows 2% and 14% of owner-occupied units are located in these geographies, respectively. Owner occupied units in low income census tracts constitute only 1,370 or 2% of the available units; therefore, lending opportunities are limited. Table 5 below reflects the bank's home mortgage lending patterns to various geographies.

Table 5 - Home Mortgage-Lending to Various Geographies

<b>2000 - 2001 Home Mortgage Originations By Geography</b>					
Census Tract	# of Loans Originations by Bank	% of Originations	\$ of Loan Originations by Bank (000's)	% of Originations	Assessment Area Demographics
Low	0	0%	\$0	0%	2%
Moderate	2	10%	\$ 314	9%	14%
Middle	8	38%	\$ 832	25%	46%
Upper	11	52%	\$2,216	66%	38%
<b>Total</b>	<b>21</b>	<b>100%</b>	<b>\$3,362</b>	<b>100%</b>	<b>100%</b>

## Review of Complaints

The bank has received no complaints during the assessment period.

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

Due to the bank's status as a new bank, we have not yet completed a comprehensive fair lending examination.