

PUBLIC DISCLOSURE

December 19, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**SouthTrust Bank, N.A.
Charter Number 14569
P.O. Box 2554
Birmingham, Alabama 35290**

**Comptroller of the Currency
Large Bank Division
250 E. Street, S.W.
Washington, DC 20219**

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.

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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 **SouthTrust Bank, N.A.** (STB) prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **December 19, 1997**. The agency evaluates performance in assessment area(s), 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 C.F.R. Part 25.

DESCRIPTION OF INSTITUTION

STB, which had \$29 Billion in total assets as of June 30, 1997, is owned by the one bank holding company SouthTrust Corporation (STC). STC ranks as the nation's 29th largest bank holding company. With more than 500 offices located in seven states (Alabama, Georgia, Florida, Mississippi, North Carolina, South Carolina and Tennessee), STC is the sixth largest bank holding company operating in the Southeast. STC ranks behind Nationsbank Corporation, First Union Corporation, Suntrust Banks, Inc., Wachovia Corporation and Barnett Banks, Inc. These same banks are also STB's primary competitors in many of the assessment areas where the bank operates. There are no legal, financial or other impediments to the bank's CRA performance.

STB was originally formed in 1887 as the Birmingham Trust and Savings Company. Many years of acquisitions and mergers resulted in a total of 43 separately chartered banks in the early 1990's. In 1992 STB began consolidating its banks and operated with eleven charters until mid-1997. On June 30, 1997, the bank's consolidation process culminated with the merger of all bank charters into STB. Because many of the independent banks operated on a decentralized and largely autonomous basis, there are significant differences in historical strategies and lines of business between states, Metropolitan Statistical Areas (MSAs) and even counties. The merger not only brought about a combining of assets under one charter, it also brought about a much more centralized approach and a common strategy.

As part of our analysis, we rated the bank's performance in each state in which it has a branch. The following table shows the proportion of STB's total loans and deposits on a state basis. The State of Alabama has proportionally more loans than deposits because many of the larger loans are made at the bank's headquarters in Birmingham, Alabama.

SouthTrust Bank - Percentage Outstanding Loans and Deposits by State		
State	% Loans	% Deposits
Alabama	50	40
Florida	21	29
Georgia	20	22
North Carolina	5	4
South Carolina	2	2
Tennessee	1	2
Mississippi	1	1
Total	100	100

Source: Internal Bank Reports

As of June 30, 1997, the bank's loan to deposit ratio equaled 112%, which is a high ratio and demonstrates that the bank is aggressively reinvesting deposits in loans. The bank offers a wide range of loan products. The table below shows the bank's major loan categories and the amount outstanding as of June 30, 1997.

SouthTrust Bank - Outstanding Loans as of June 30, 1997		
Type	Amount (\$million)	%
1-4 Family Residential	5,448	26
Other Real Estate	8,071	38
Commercial	4,550	21
Consumer	2,398	11
Other	852	4
TOTAL	21,319	100

Source: June 30, 1997 Call Report

STB has historically been an aggressive commercial lender, particularly to small businesses. Of the six largest banks in the Southeast, STB ranks as having the largest portion of their loan portfolio to small businesses (39%)¹. The bank also ranks as having the smallest portion of their

¹Source: American Banker

loan portfolio in consumer lending (37% including residential real estate). However, the bank's strategic focus is to better balance their mix of commercial and consumer lending. The bank made strides in 1996 toward the goal of more balance in its lending, when it had the second largest growth rate in consumer lending among the six largest Southeast banks. Because of the banks historic emphasis on commercial lending and their recent emphasis on consumer (HMDA) lending, we gave nearly equal emphasis to small business/farm and HMDA lending in our evaluation. We also considered, at the bank's request, other types (automobiles, secured, unsecured, etc.) of consumer lending. The following table shows the volume of the three major types of lending we reviewed at this evaluation:

Volume of HMDA, Small Business/Farm and Consumer Lending 1996 and YTD 1997 SouthTrust Bank				
Loan Product	Distribution of Loans by Type			
	1996		YTD 1997	
	#	\$ (000)	#	\$ (000)
Small Business/Farm	20,075	1,911,223	10,699	1,135,874
HMDA (bank only, includes loans purchased from affiliates)	14,241	1,051,576	6,940	544,899
Consumer Lending (excludes HMDA loans)	50,707	934,409	35,874	*

Source: HMDA LAR, Small Business/Farm and Consumer Loan Data Collection Register

* Dollar volumes were not available for consumer loans on a consolidated bank basis.

In addition to lending by STB, and at the bank's request, this evaluation considered lending by two of the bank's affiliates - SouthTrust Mortgage Company, Inc (SMC) and SouthTrust Mobile Home Services, Inc. (SMHS). SMC and SMHS are active residential real estate lenders operating in a much larger geographic area than STB. For purposes of this evaluation, we only considered the affiliates Home Mortgage Disclosure Act (HMDA) lending activities that occurred within the bank's defined assessment areas. The following table displays the volume of HMDA lending generated by the bank and its affiliates in 1996 and 1997 within the bank's assessment area. Unless otherwise indicated, all analysis involving HMDA lending within this evaluation will be for the consolidated STB, SMC and SMHS.

DESCRIPTION OF ASSESSMENT AREAS

STB has a total of 65 assessment areas (AA) in the seven states, of which 40 are either whole MSAs or portions thereof. The remaining 25 AAs consist of either single non-MSA counties or small groups of such counties. The bank's total AA contains nearly 23 million people and 6.2 million families with 19% of the families being low income, 18% moderate income, 23% middle income and 40% upper income. There are slightly more than 1 million households, representing 12% of the total, below the poverty level in the bank's AA. Additionally, 46% of the households

located in low income tracts are below the poverty level. This income level makes home ownership, and other types of credit, extremely difficult to grant. As a result, less than 2% of owner-occupied units are located in low income geographies. The following table displays additional demographic characteristics of the 4,823 geographies (census tracts or block numbering area) in the bank's AA.

Assessment Area Demographic Data Distribution by Census Tract Income Level Entire SouthTrust Assessment Area												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	350	7	961	20	2,308	48	1,098	23	106	2	4,823	100
Families (000)	230	4	1,031	16	3,339	54	1,608	26	0	0	6,208	100
Households (000)	359	4	1,569	18	4,713	53	2,193	25	1	nil	8,833	100
Population (000)	1,030	4	4,058	18	11,995	53	5,648	25	43	nil	22,706	100

Source: 1990 Census

The bank's AA covers a large and economically diverse area, ranging from large metropolitan areas to small rural areas. Underlying economies can be characterized as generally stable. There is a total of 706,928 businesses (98%) and farms (2%) operating in the bank's AA, 71% of which have annual revenues less than \$1 million. The service and retail industries make up 60% of the total entities. The construction (10%) and financial service industries (9%) are also large components of the AA's economic composition. Demographic information presented above and throughout this evaluation is based on information obtained from the U.S. Census Bureau and Dun and Bradstreet, Inc.

Community Contacts

In order to enhance our understanding of the bank's assessment areas (including needs and available opportunities) we conducted sixteen community contacts throughout the bank's assessment area. We also reviewed a total of seventy-five recent contacts made by representatives of the OCC, Federal Reserve, Federal Deposit Insurance Corporation and Office of Thrift Supervision. Organizations contacted during this examination, ranged from local government housing and small business development agencies to grassroots community organizations. Finally, we reviewed U.S. Housing and Urban Development Consolidated Plans for fifteen of the bank's MSAs.

The most predominant need identified was for affordable housing, both single family and multi-family. Small business and consumer lending were also noted in a number of cases as areas needing more and easier credit availability. Credit (specifically new home buyer and business

start-up) and general banking (specifically maintaining or repairing credit standing) education were areas often mentioned as needing added resources devoted by the banking industry. STB has developed and offers credit products and community development services to address the foregoing concerns.

Scope of the Evaluation

Because of the size of the bank’s operations (65 separate AAs) it was not feasible to review, in detail, all AAs. We selected at least one MSA from each state. In states where the bank has a larger presence (Alabama, Florida and Georgia) we selected multiple MSAs. We focused primarily on the larger MSAs, but also selected several smaller ones to enhance our understanding of the bank’s overall performance. In addition, we reviewed performance for all of the bank’s non-MSA counties.

While we reviewed lending distributions and certain other data in all of the bank’s assessment areas, we performed a complete analysis on certain selected assessment areas. In total we performed an in depth review of 45 of the bank’s 65 assessment areas. The following table shows the individual MSAs and counties which we examined in depth.

	MSAs	Non-MSA Counties*
Alabama	Birmingham (Jefferson and Shelby counties), Dothan, Mobile and Montgomery	Clay, Cleburne, Coffee, Coosa, Covington, Cullman, Dallas, Henry, Lee, Macon, Marshall, Marion, Pike, Randolph, Talladega, Tallapoosa and Walker
Florida	Daytona Beach, Gainesville, Ocala, Pensacola and Tampa/St. Petersburg	Citrus, Holmes, Jackson and Washington
Georgia	Atlanta and Columbus/Phenix City Multi-State MSA	Ben Hill, Coffee, Haralson, Jackson, Laurens, Murray, Telfar and Washington
Mississippi	Biloxi (Jackson and Harrison counties)	None
North Carolina	Charlotte	Cleveland, Iredell, Rutherford and Transylvania
South Carolina	Charleston	None
Tennessee	Nashville (Davison, Rutherford, Sumter, Williamson and Wilson counties)	None

***For purposes of this evaluation, the non-MSA counties in a state were aggregated into one analysis for that specific state.**

The AAs where we performed full scope procedures, in relation to STB’s total AA, consisted of 46% of the geographies, 51% of the low and moderate income (LMI) geographies, 47% of the population, and 47% of the LMI borrowers. The AAs we reviewed also made up 61% of the HMDA loans, 53% of the small business/farm loans and 56% of the consumer loans made by the bank in its total assessment area.

CRA RATING SUMMARY

Institution's CRA Rating: STB's CRA performance is rated **Satisfactory**.

Conclusions with Respect to Performance Tests

The following table shows the performance level of STB, with respect to the lending, investment, and service tests.

Performance Levels	SouthTrust Bank, N.A.		
	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

Note: The lending test is weighted more heavily than the investment and service tests when arriving at the overall bank rating.

Because of the diverse nature of the areas included in the bank's total assessment area, coupled with the largely autonomous nature in which the individual subsidiary banks operated prior to consolidation, there are wide variances in performance measurements from state to state and assessment area to assessment area. The following table displays the ratings assigned to each state:

Summary of State Ratings SouthTrust Bank, N.A.				
State	Assigned Ratings			
	Overall	Lending Test	Investment Test	Service Test
Alabama	Satisfactory	Low Satisfactory	High Satisfactory	High Satisfactory

Summary of State Ratings SouthTrust Bank, N.A.				
State	Assigned Ratings			
	Overall	Lending Test	Investment Test	Service Test
Florida	Satisfactory	High Satisfactory	Low Satisfactory	Low Satisfactory
Georgia	Satisfactory	High Satisfactory	Needs to Improve	High Satisfactory
Mississippi	Satisfactory	High Satisfactory	Needs to Improve	Low Satisfactory
North Carolina	Satisfactory	High Satisfactory	Needs to Improve	Low Satisfactory
South Carolina	Satisfactory	High Satisfactory	Low Satisfactory	High Satisfactory
Tennessee	Satisfactory	High Satisfactory	Low Satisfactory	Low Satisfactory
Columbus, GA Multistate MSA	Satisfactory	Low Satisfactory	Low Satisfactory	High Satisfactory

The bank's overall ratings in the three performance tests are a combination of the individual ratings of each state and the multistate MSA. However, the performance of each state was not weighted equally. Alabama, as the bank's largest market in terms of loans and deposits was given more weight than other states. Florida and Georgia carried the next highest weights. State ratings were primarily determined by analyzing the individual assessment areas where full scope examination procedures were used and the aggregate non-MSA areas of each state. Consideration was also given to the bank's performance in assessment areas where limited scope procedures were used.

LENDING TEST

Lending data was reviewed for 1996 and the first six months of 1997. Except for the analysis of lending inside versus outside STB's assessment areas, all analysis and data review was performed at an assessment area level and is presented in the later sections of this evaluation. Small farm loans were not analyzed separately from small business loans because, in all cases, small farm loans were an insignificant portion of the bank's combined small business and small farm loan totals.

As shown in the following table, a substantial majority of the bank's HMDA, small business-farm, and consumer loans were made within the bank's assessment areas.

Percent of Loans Inside STB Assessment Areas	
Year	Loan Type

Percent of Loans Inside STB Assessment Areas			
	HMDA	Consumer	Small Business & Farm
1996	77%	69%	93%
YTD 1997	83%	85%	88%

Source: Bank prepared loan data registers.

Based on our findings in each state and the multistate MSA, the bank has a generally satisfactory record of serving the credit needs of low and moderate income individuals. STB's geographic distribution of all loans reflects adequate penetration throughout the assessment areas. The bank's distribution of loans to businesses of different sizes (specifically small businesses) was adequate throughout the assessment areas. In most assessment areas and states (Georgia, Florida, Mississippi, North Carolina, South Carolina, and Tennessee), the bank's level of community development lending is relatively high.

The bank offers flexible loan products. Its primary flexible loan product is the RightStart Affordable Mortgage program which allows higher loan-to-value and debt-to-income ratios. The program was started in the mid 1990's as an outgrowth or continuation of the RightStart Checking account which was designed to pursue the non-banked portion of the community. The RightStart Affordable Mortgage was a natural outgrowth of the checking account program and had as its cornerstone required home buyer education.

The program is offered through the affiliated SMC where the loans are originated and then sold back to the bank. Complete consolidated data was not available that would show the results of the program system-wide. Available data indicated that in excess of 1,200 loans have been made under this program during the evaluation period. More detailed information was available and reviewed on a specific assessment area basis and it showed that the bank has increased its penetration to LMI borrowers and geographies as a result of the program. See the specific assessment area analysis contained in this evaluation for program performance details.

The bank offers other flexible loan products including: RightStart Home Improvement Loans (Can be secured or unsecured with flexible underwriting criteria) and Secured credit cards (New program that is presently available in the Atlanta, Charlotte and Ft. Myers markets and is designed for individuals trying to establish or reestablish credit history). See specific AA analysis for additional details.

Throughout this evaluation, there are references to the "1996 aggregate market" performance. This term refers to geocoded loan data, submitted by financial institutions and compiled by the Federal Financial Institutions Examination Council (FFIEC) for both HMDA and Small Business/Farm lending. This data is used, in this evaluation, to provide a frame of reference for analyzing this bank's performance compared to all reporting institutions in a particular assessment area. It is important to note that the aggregate market's loan data, in the case of HMDA lenders,

often includes many non-bank reporters including mortgage companies and mobile home finance operations who are not subject to the Community Reinvestment Act.

INVESTMENT TEST

Based upon the findings in each state and the multistate MSA, qualified community development investment activities reflect adequate responsiveness to the needs in the assessment areas, and totaled approximately \$21 million. Unfunded portions of projects under construction total an additional \$3.8 million. The bank also has a \$1.9 million project that is committed but not yet closed. The majority (74%) of these investments are in the State of Alabama, where the bank has taken a leadership role in providing multi-family housing through the affiliated SouthTrust Community Reinvestment Corporation (SCRC). SCRC was formed in 1992 with the objective of investing equity in multi-family housing specifically for LMI tenants in the State of Alabama under the Low-Income Housing Tax Credits program. The sixteen projects funded by SCRC have provided 727 housing units for low income people. SCRC has an additional \$2.8 million in committed but not closed projects. With the recent consolidation of the bank, SCRC will expand their focus into the other states where STB has a presence.

SERVICE TEST

Based upon the findings in each state and the multistate MSA, the bank's delivery systems reach low and moderate income tracts/individuals as well as middle and upper income tracts/individuals. The bank's primary alternative delivery system is loan-by-phone. While this service is offered for many of the bank's products, the bank only tracks loan production from SMC's 800- number. This number can be called from any location in the USA. During the evaluation period, the bank generated 169 HMDA loans through the loan-by-phone program. Of this number, 142 (85%) were from the bank's assessment area. Eight percent of the total loans generated were made in LMI tracts. Four percent of the loans were to low income borrowers and 12% to moderate income borrowers.

Changes in branch locations have not adversely affected the availability of delivery systems within the assessment area. Services, including business hours, are tailored to meet the needs of the customers. The bank provides a good level of community development services. The bank has been particularly effective in providing home buyer education seminars.

FAIR LENDING REVIEW

No violations of the substantive provisions of the anti-discrimination laws or regulations were identified. STB's fair lending policies, procedures, training programs, and internal self-assessments were satisfactory.

State Rating - Alabama

CRA Rating for Alabama: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF THE BANK'S OPERATIONS IN ALABAMA

Area Description

STB's assessment areas in Alabama include a total of thirty-five counties. Eighteen of these counties make up all or portions of the eleven MSAs in the State of Alabama. The remaining seventeen counties are among the forty-nine non-MSA counties in the State. The assessment areas have a total population of 3,274,655 which represents approximately 81% of the state's population, 78% of the low income families in the state, and 80% of the moderate income families. The bank's assessment area includes a total of 844 geographies with 8% being low income, 17% moderate income, 51% middle income, 23% upper income and 1% uninhabited.

Eight percent of the population in the areas we reviewed was receiving public assistance and 19% was estimated to be living below the poverty level. Median family income in non-MSA areas was \$31,500 for 1997. Dun & Bradstreet, Inc. data shows that in 1996 there was a total of 97,735 businesses (1,983 farms and 95,752 non-farm) operating in STB's assessment areas. Businesses with sales less than \$1 million totaled 70,258 (1,785 farms and 68,473 non-farm).

Scope

We performed full examination procedures to evaluate CRA performance in four (Birmingham, Dothan, Mobile, and Montgomery) of the eleven MSAs and the seventeen non-MSA counties. These selected areas comprise 70% of the population and families of STB's total Alabama assessment areas. We also performed full scope procedures for the Columbus, GA - Phenix City, AL multistate MSA. For the remaining six (Anniston, Decatur, Florence, Gadsden, Huntsville and Tuscaloosa) MSAs we did not perform full examination procedures. We reviewed limited data to determine if the bank's performance in the Lending, Investment, and Service tests in the individual MSAs was consistent with the overall State ratings.

Community Contacts

We made three community contacts during this examination (in the cities of Dothan, Mobile, and Montgomery). To supplement information we received from our contacts, we also reviewed sixteen community contact forms previously completed by representatives of the OCC and other regulatory agencies. Types of organizations contacted included local governmental agencies, housing and small business organizations, and nonprofit organizations. We also reviewed HUD Consolidated Plans for the four MSAs which we reviewed. All of the foregoing sources confirmed a need for affordable housing (single family and multi-family), financial education and small business lending (primarily start-up).

CONCLUSIONS FOR CRA PERFORMANCE IN ALABAMA

Based upon our detailed review of Birmingham, Dothan, Mobile, and Montgomery and the aggregate non-MSA portion of the state, STB's performance in Alabama is considered satisfactory. While all five areas were considered in deciding the ratings for the state, performance in Birmingham was given more weight due to STB's significant operations and market presence in this area. The bank has typically achieved adequate or better penetration to low and moderate income individuals and geographies and has served small businesses.

The bank has made a strong commitment to investing in multi-family housing for low- and moderate-income individuals through SouthTrust Community Reinvestment Corporation (STCRC), which is a subsidiary of the holding company. More than \$15 million has been invested in affordable housing projects plus additional smaller amounts for other community development purposes. Through STCRC the bank has taken a leadership role in providing affordable multi-family housing which was one of the primary needs identified throughout the state. STB's branch distribution network is readily accessible to geographies and individuals of different income levels in the assessment areas. The bank provides an adequate level of community development services.

Detailed discussion for the four MSAs reviewed and analyzed separately are included in the latter portions of this section of the evaluation. The seventeen non-MSA counties were reviewed and analyzed largely on a consolidated basis and detailed comments are also located in the latter portions of this section of the evaluation. Conclusions and limited data are provided for all of STB's remaining assessment areas.

Birmingham Assessment Area (AA) - MSA 1000

Conclusions for Performance Tests in the Birmingham AA

STB's performance in the Lending, Investment and Service Tests within the Birmingham AA was satisfactory. The bank's HMDA and consumer loan distribution by borrower income level and census tract was considered satisfactory. The volume and distribution of business lending were good. The level of qualified investments was good due to STC's use of a community development corporation and income-tax credit investments to provide affordable multi-family housing. Delivery systems are good, with the number of branches located in LMI census tracts comparing favorably to the percentage of families living in those tracts.

Description of Bank's Operations in the Birmingham AA

As of June 30, 1996, STB had approximately \$3 billion in deposits in the Birmingham AA, representing a 27% market share². Local financial institution competition included seventeen banks, thirty-five credit unions, and three savings banks. STB had 44 branches within this assessment area, including seven in low income census tracts and seven in moderate income census tracts. Commercial lending has been the bank's primary focus in this assessment area.

Description of the Birmingham Assessment Area

The Birmingham assessment area covers Jefferson and Shelby Counties (two of the four counties that make up the Birmingham, Alabama Metropolitan Statistical Area). Jefferson and Shelby Counties contain 172 census tracts, 287,101 households, and 750,883 persons. Jefferson County, where the City of Birmingham is located, is the 74th most populous county in the United States and Shelby County is the 6th wealthiest and 16th fastest growing county in the nation according to the 1990 Census Bureau statistics³. More than 9% of the workforce in the metropolitan area is employed in health care as there are 21 hospitals throughout the area. Overall, the local economy is stable with only 3% of the population unemployed.

The HUD Consolidated Plan for the City of Birmingham for 1995 identified the need for:

- affordable housing for low-income renters, very low-income renters (estimated at approximately 24,000), and for first-time home buyers;
- rehabilitation of existing housing stock for low- and very low-income homeowners (with

² Source: Herfindahl-Hirschmann Index

³ Source: Birmingham Chamber of Commerce

- very low-income homeowners estimated at approximately 14,000);
- community services such as self-help support groups, child care assistance, training, educational assistance, drug prevention services and emergency food services; and,
- strengthening of the economic base and business climate.

We reviewed two community contact forms made by the OCC in October 1996 which confirmed the need for housing and economic development. They also identified the need for development of community resources, technical assistance for neighborhood-founded community development corporations, and credit and home buyer education. In the Birmingham AA, STB has helped meet the needs for affordable rental housing during this evaluation period through: (1) its affiliate's participation in partnerships that acquires, develops, owns, manages and sells residential low-income real estate; (2) mortgage lending in low-income census tracts and to low-income borrowers.

The 1997 HUD median family income for this assessment area is \$41,900. The median housing value is \$56,200 with a median year built of 1965. Additional demographic data is shown in the following tables.

Assessment Area Demographic Data Distribution by Census Tract Income Level Birmingham Assessment Area												
	Low		Moderate		Middle		Upper		NA's		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	18	10	35	20	67	39	52	30	0	0	172	100
Families	16,971	8	38,808	19	80,188	39	69,743	34	0	0	205,710	100
Population	69,311	9	155,153	21	281,607	38	244,812	33	0	0	750,883	100

Source: 1990 Census Data

Housing Stock Demographics Birmingham Assessment Area						
Tract Income Level	# of Units	% Owner Occupied	% Rental Units	% Vacant Units	TOTAL	% Multi-Family Units
Low Income	29,519	32	56	13	100	17
Moderate Income	64,765	53	36	11	100	17
Middle Income	119,399	66	27	8	100	32
Upper Income	98,615	70	25	5	100	34
TOTAL	312,298					100

Source: 1990 Census Data

LENDING TEST

As shown in the following table, STB's market share for HMDA loans in low income census tracts is good, particularly in home improvement lending where it exceeded its total market share. Market share for moderate income areas approximate its total market share and is satisfactory.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Birmingham Assessment Area									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	1,459	7.8%	1	18	7.4%	1	78	5.6%	2
Home Improvement	529	25.2%	1	18	25.7%	2	78	24.3%	2
Total	1,988			36			156		

Source: FFIEC, 1996 HMDA data

The following table shows an excellent level of lending to low income and moderate income borrowers on a market share basis, particularly in home purchase and refinance lending. Home improvement lending, while slightly less than its overall market share, is considered satisfactory.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Birmingham Assessment Area									
	All Borrowers			Low-Income Borrowers			Moderate-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	1,459	7.8%	1	105	9.5%	2	237	8.3%	1
Home Improvement	529	25.2%	2	85	23.7%	2	94	20.5%	2
Total	1,988			190			331		

Source: FFIEC, 1996 HMDA data

Geographic Distribution of Loans

During the evaluation period, there were no conspicuous gaps in lending within the bank's assessment area. There was one moderate income tract that did not have HMDA lending in 1996 or 1997; however, there was business and consumer lending in both years.

The following table shows that the bank has a good record of granting small business loans in low

income tracts. The bank's performance in granting such loans in moderate income tracts approximates the proportional share of businesses operating in those tracts and is considered satisfactory. The bank's performance compares favorably to the overall market which made 15% of loans in low income tracts and 16% in moderate income tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Birmingham Assessment Area					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Small Business and Small Farm Loans by Location			
		1996		YTD 1997	
		# (%)	\$ (%)	# (%)	\$ (%)
Low Income	11%	13%	14%	13%	16%
Moderate Income	21%	17%	20%	17%	20%
Middle Income	29%	22%	20%	23%	18%
Upper Income	39%	48%	46%	47%	46%
Total	100%	100%	100%	100%	100%

Sources: Dun & Bradstreet, Inc. and bank provided Small Business Data Collection Register

The following table shows that, in relation to the volume of owner occupied housing, the bank's HMDA lending is weak in LMI tracts. However, the bank's HMDA lending in low income tracts does exceed the 1996 aggregate market which made 1.5% of HMDA loans in low income tracts. The bank matches the aggregate market (at 8%) in lending to moderate income tracts.

Distribution of HMDA Loans by Census Tract Income Designation Birmingham Assessment Area									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000)	%	#	%	\$ (000)	%
Low Income	5	36	2	1,073	1	13	2	1,239	2
Moderate Income	18	157	8	3,886	2	78	10	1,882	3
Middle Income	41	714	33	40,882	26	289	35	13,552	22
Upper Income	36	1,081	57	110,883	71	439	54	44,329	73
Total	100	1,988	100	156,724	100	819	100	61,002	100

Sources: FFIEC, 1996 HMDA data and bank provided 1997 HMDA Loan Application Register.

The following table shows a proportionately low level of consumer lending in LMI tracts,

particularly in 1996. Lending performance in 1997 improved over 1996 levels but is still proportionately lower.

Geographic Distribution of Consumer Loans Birmingham Assessment Area									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	8	81	2	1,945	2	111	3	3,272	4
Moderate Income	19	257	7	3,043	4	382	11	5,565	7
Middle Income	39	1,246	35	23,107	28	1,315	39	24,023	31
Upper Income	34	1,936	55	54,940	66	1,601	47	44,333	57
Not Available	0	0	0	0	0	10	0.3	169	0.2
Total	100	3,520	100	83,035	100	3,419	100	77,362	100

Sources: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register

Loan Distribution by Borrower Income

The following table shows that HMDA loan distribution compared to the distribution of families based on borrower income level is overall satisfactory. Lending to moderate income borrowers, particularly in 1997, is very strong. The level of lending to low income borrowers is proportionately lower than the percentage of families and is considered adequate. The lower level is partially explained by the fact that 15% of households are below the poverty level. The bank's performance is good when compared to the 1996 aggregate market which made 7% and 16% of HMDA loans to low and moderate income borrowers, respectively.

Distribution of HMDA Loans by Borrower Income Level Birmingham Assessment Area					
Borrower Income Level	% of Families in Assessment Area	1996		1997	
		#	%	#	%
Low Income	21	190	10	85	10
Moderate Income	16	331	16	167	20
Middle Income	21	394	20	158	19
Upper Income	42	1,004	50	370	45
Income Not Available	0	69	4	40	5
Total	100	1,988	100	820	100

Sources: 1990 Census Data; FFIEC 1996 HMDA data; and the bank's 1997 HMDA Loan Application Register.

The following table shows that STB's consumer lending to LMI borrowers is significantly lower than the percentage of LMI families in the AA. Lending to low income families in 1997 is significantly below 1996 levels and is considered poor. The lending for moderate income borrowers was improved year-to-date June 30, 1997, but still is considered to be low.

Distribution of Consumer Loans by Borrower Income Level Birmingham Assessment Area					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	21	288	8	111	3
Moderate Income	16	310	9	382	11
Middle Income	21	422	12	1,315	39
Upper Income	42	1,841	52	1,601	47
Not Available	0	659	19	10	nil
Total	100	3,520	100	3,419	100

Sources: 1990 Census Data and bank provided Consumer Loan Data Collection Register

The following table shows that STB is making loans of all sizes to small businesses and small farms within the Birmingham AA. The bank's level of lending is reasonable when compared to the aggregate small business lending in the Birmingham MSA for 1996. Eighty-four percent of the aggregate market loans were less than \$100,000. Seven percent were over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Birmingham Assessment Area								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	586	74	20,397	25	327	67	12,596	19
Between \$100,000 and \$250,000	116	15	19,894	24	86	18	14,538	22
Greater than \$250,000	91	11	42,110	51	75	15	39,153	59
Total	793	100	82,401	100	488	100	66,287	100

Sources: Bank provided Small Business Data Collection Register

In addition to the foregoing, 43% and 53% of the bank's small business loans, in 1996 and 1997 respectively, were to entities having annual revenues less than \$1 million. The bank's performance in 1996 matched the aggregate market, which also granted 43% of loans to entities with annual revenues under \$1 million.

Community Development Loans

In the Birmingham assessment area, STB made two community development loans totaling \$235 thousand. One is a multi-family housing loan that provides temporary housing for homeless families. The other is a multi-family housing loan that provides ten (10) rental units for low-income individuals.

Flexible Lending Products

STB implemented the RightStart mortgage lending program in the Birmingham AA to meet affordable mortgage needs. During the 18-month period from January 1996 through June 1997, STB originated 117 RightStart Mortgage loans totaling \$7.5 million in the Birmingham AA. Two percent and fifteen percent of these loans (by number) were made in low and moderate income geographies, respectively. Nineteen percent and fifty percent were made to low and moderate income borrowers, respectively.

INVESTMENT TEST

STB, or affiliated companies, has made a high level of qualified community development investments in the Birmingham assessment area, as follows:

- In 1992, STC formed STCRC to provide affordable multi-family housing for LMI individuals and help rebuild neighborhoods. The housing is both tenant and rent restricted for up to 20 years. Investments made by STCRC for affordable housing for LMI individuals in the Birmingham AA totaled \$437 thousand for one project during the evaluation period. Prior to 1996, they invested \$3.4 million in two projects which they continue to hold.
- In 1991, STB made a \$900 thousand equity investment in a multi-family rental housing project for low-income individuals. It continues to hold this investment.
- In 1989, STC made a \$130 thousand equity investment in a partnership that acquires, owns, manages, and sells residential low-income real estate. STC continues to hold this investment.
- In the Birmingham AA during 1996-97, STB made thirty grants totaling approximately \$100 thousand that were used to provide child care, educational, health, housing, or social services to low- or moderate-income persons.
- STB made a \$1,000 grant to an organization that has the objective of revitalizing an area in a low-income geography.

SERVICE TEST

STB's Birmingham assessment area contains an excellent distribution of branches and ATMs. The

number of facilities located in low income and moderate income tracts compares very favorably to the distribution of families, particularly in low income tracts where the ratio of branches to families is almost doubled. Alternate delivery systems (primarily loan by phone) produced fourteen HMDA loans during the twelve-month period from October 1996 through September 1997: none were in low income census tracts, one was in a moderate income census tract; one was to a low income borrower and one was to a moderate income borrower.

Distribution of Branch Offices and ATM's Birmingham Assessment Area								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	18	11	16,971	8	7	16	7	23
Moderate Income	35	20	38,808	19	7	16	5	16
Middle Income	67	39	80,188	39	13	30	6	19
Upper Income	52	30	69,743	34	17	38	13	42
Uninhabited	0	0	0	0	0	0	0	0
Total	172	100	205,710	100	44	100	31	100

Sources: 1990 Census Data and bank supplied information

Branch hours are convenient, with most branches open until 6:00 p.m. on Fridays. Few branches are open on Saturdays. Between January 1996 and June 1997 two branches were closed and one was opened in this assessment area. The closing was a limited service branch located at a retirement center which was only open a few hours per week. The closings did not significantly affect the accessibility of the bank's branches and services to low or moderate income individuals or geographies.

Community Development Services

Bank employees have provided financial training or other financial expertise through the bank's RightStart Homebuyers Education Program and by assisting three organizations that provide community development services targeted to LMI individuals. Examples are as follows:

- A bank officer assists the Birmingham Community Development Corporation, Inc. by providing credit training and reviewing loan packages from small businesses.
- Two officers assist the Birmingham Community Investment Partnership in providing financing to small businesses through a micro loan program.

Dothan Metropolitan Statistical Area - MSA 2180

Conclusions for Performance Tests in Dothan MSA (2180)

STB's performance in the Lending, Investment and Services Tests within the Dothan AA was satisfactory. The bank's geographic distribution of HMDA lending was very good while the geographic distribution of small business lending was weak. The bank's HMDA lending by borrower income distribution was satisfactory while lending to small businesses based on revenue size was very good. The level of qualified investments in the Dothan MSA is low. Delivery systems are excellent, with the percentage of branches located in moderate income census tracts more than double the percentage of families living in those tracts.

Description of Bank's Operations in MSA 2180

As of June 30, 1996, STB had approximately \$528 million in deposits in the Dothan assessment area, representing a market share of 33%⁴. Banking competition included bank subsidiaries of five large holding companies, ten independent banks, five credit unions, and three full service brokerage services. As of June 30, 1996, STB had 14 branches located in the Dothan MSA. Commercial lending has been the bank's primary focus in the Dothan assessment area, representing 66% of the loan portfolio at the end of 1996.

Description of MSA 2180

The Dothan MSA consists of Houston and Dale Counties. Houston County includes the City of Dothan and twelve surrounding townships. Dale County includes three townships and a military base. Dothan is the largest city in southeast Alabama and has become the regional business, medical, and retail center of the area. As of 12/31/96, unemployment was low at 3%. Approximately 7% of the MSA's households are on public assistance and 17% are below the poverty level.

We performed a community contact during the examination. To supplement this information, we also reviewed a form for one contact that was previously completed by representatives of the other bank regulatory agencies. The foregoing sources confirmed that the primary need in the assessment area is affordable housing.

The following two tables show demographic data for the MSA. The first table shows the distribution of geographies, families, households and population by census tract income level. The second table shows housing stock demographics by census tract income level. HUD 1997 median family income was \$36,900. Median housing value was \$50,317 with a median year built

⁴ Source: Herfindahl-Hirschmann Index.

of 1971.

Assessment Area Demographic Data Distribution by Census Tract Income Level Dothan MSA												
	Low		Moderate		Middle		Upper		NA's		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	1	3	5	14	23	66	5	14	1	3	35	100
Families	643	2	3,895	11	25,727	71	5,933	16	0	0	36,198	100
Population	2,591	2	15,915	12	92,036	70	20,422	16	0	0	130,964	100

Source: 1990 Census Data

Housing Stock Demographics Dothan MSA						
Tract Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	TOTAL	% Multi-Family Units
Low Income	1,278	28	59	13	100	5
Moderate Income	6,703	43	46	11	100	23
Middle Income	36,309	62	30	8	100	47
Upper Income	8,338	69	26	5	100	25
Not available	0	0	0	0	0	0
TOTAL	52,628					100

Source: 1990 Census Data

LENDING TEST

The bank has been responsive to credit needs in the Dothan MSA during this evaluation period. Lending for mortgages, consumer loans, small business and small farm loans is widely distributed geographically and among borrowers of different income levels or businesses/farms of various sizes.

When compared on the basis of census tract income level and total market share, the bank's mortgage lending in low-income and moderate-income tracts is excellent as it significantly exceeds the bank's overall market share. The lack of home improvement loans in the MSAs one low income tract is reasonable since it only contains 2% of the families and 5% of the households in the MSA and the median year built for the MSA is 1971.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Dothan MSA									
	All Tracts			Low-Income Tract			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	558	15.3%	1	7	20.6%	1	61	23.1%	1
Home Improvement	128	28.4%	1	0	0%	0	20	30.8%	1
Total	686			7			81		

Source: FFIEC 1996 HMDA Data

The following table shows a reasonable level of home purchase/refinance lending to low-income borrowers and moderate-income borrowers in comparison to total HMDA market share. For home improvement loans, the market share for low-income borrowers and moderate-income borrowers is excellent.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Dothan MSA									
	All Borrowers			Low-Income Borrowers			Moderate-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	558	15.3%	1	16	7.0%	5	93	12.6%	2
Home Improvement	128	28.4%	1	16	40.0%	1	30	31.3%	1
Total	686			32			123		

Source: FFIEC, 1996 HMDA Data

Geographic Distribution

The bank's lending is reasonably distributed in the Dothan MSA. There were no conspicuous gaps in lending within the assessment area. As shown in the following table, the distribution of HMDA loans in relation to the percentage of owner occupied housing in the various tract levels is very good. The only exception to the foregoing is that the level of lending in the one low income tract has declined in 1997. The bank's performance is good when compared to the 1996 aggregate market which made .6% and 8% of HMDA loans in low and moderate income tracts, respectively.

Distribution of HMDA Loans by Census Tract Income Designation Dothan MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000)	%	#	%	\$ (000)	%
Low Income	1	8	1	244	1	1	nil	19	nil
Moderate Income	9	81	12	5,384	13	33	10	2,025	11
Middle Income	72	445	65	21,844	52	217	64	10,432	57
Upper Income	18	152	22	14,708	35	86	26	5,948	32
Total	100	686	100	42,180	101	337	100	18,424	100

Sources: FFIEC, 1996 HMDA data and bank provided 1997 HMDA Loan Application Register.

As shown in the following table, consumer lending reflects a reasonable distribution in comparison to the percentage of families residing within the various types of census tracts.

Geographic Distribution of Consumer Loans Dothan MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	2	13	1	805	3	14	1	214	1
Moderate Income	11	128	10	1,175	5	121	8	2,024	10
Middle Income	71	696	54	10,051	38	884	65	11,362	54
Upper Income	16	461	35	13,841	54	268	20	6,510	31
Not Available	0	0	0	0	0	82	6	892	4
Total	100	1,298	100	25,872	100	1,369	100	21,002	100

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table compares the bank's small business and farm lending by tract income level to the proportional share of businesses. The table shows that the bank's lending in low income tracts is weak in 1996. While there was some improvement in 1997, the level of lending is still low. The bank's level of lending in moderate income tracts is reasonable. The bank's performance compares satisfactorily to the aggregate market which made 2% of these types of loans in low income tracts and 17% in moderate income tracts.

Geographic Distribution of Small Business/Small Farm Loans Dothan MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business and Small Farm Loans by Location			
		1996		YTD 1997	
		# (%)	\$ (%)	# (%)	\$ (%)
Low Income	5	1	1	2	4
Moderate Income	26	19	24	17	20
Middle Income	43	62	47	57	42
Upper Income	26	18	28	24	34
Total	100	100	100	100	100

Source: Dun & Bradstreet, Inc. and bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that HMDA loan distribution compared to the distribution of families based on borrower income level is overall satisfactory at the low and moderate income levels. Lending to low income borrowers was weak in 1996 but improved considerably in 1997, particularly given the fact that 17% of households in the MSA are below the poverty level. Lending to moderate income borrowers was good in 1996 but weakened considerably in 1997. The bank's performance was lower than the 1996 aggregate market which made 7% and 20% of HMDA loans to low and moderate income borrowers, respectively.

Distribution of HMDA Loans by Borrower Income Level Dothan MSA					
Income Level	% of Families in Assessment Area	1996		1997	
		#	%	#	%
Low Income	20	32	5	36	11
Moderate Income	18	116	18	46	13
Middle Income	23	118	18	70	21
Upper Income	39	346	53	166	49
Not Available	0	42	6	19	6
Total	100	654	100	337	100

Source: 1990 Census Data, U.S. Bureau of the Census and HMDA Loan Application Register

The following table shows that consumer lending by borrower income level strengthened considerably in 1997 and, when compared to the demographic make up of families in the assessment area, is satisfactory.

Distribution of Consumer Loans by Borrower Income Level Dothan MSA					
Income Level	% of Families in Assessment Area	1996		Y-T-D 1997	
		#	%	#	%
Low Income	20	128	10	181	13
Moderate Income	18	188	15	237	17
Middle Income	23	239	18	303	22
Upper Income	39	506	39	443	33
Not Available	0	237	18	205	15
Total	100	1,298	100	1,369	100

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

The following table shows that STB is making loans of all sizes to small businesses in the Dothan assessment area. The bank's level of lending approximates the aggregate market which made 87% under \$100,000, 7% between \$100,000 and \$250,000 and 5% over \$250,000.

Distribution of Small Business/Small Farm Loans by Loan Size Dothan MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	532	85	12,706	32	244	87	6,340	36
Between \$100,000 and \$250,000	57	9	9,518	24	19	7	3,047	17
Greater than \$250,000	35	6	17,284	44	17	6	8,150	47
Total	624	100	39,508	100	280	100	17,537	100

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

In addition to the foregoing, 76% and 74% of the bank's small business loans, in 1996 and 1997 respectively, were to entities with annual revenues less than \$1 million. This compares very favorably to the aggregate market which granted 63% of loans in 1996 to such firms.

Community Development Loans

The bank did not make any community development loans during the evaluation period.

Flexible Lending Products

STB implemented the RightStart mortgage lending program in the Dothan AA to help meet

affordable mortgage needs. During the 18-month period from January 1996 through June 1997, STB originated seven RightStart Mortgage loans totaling \$186 thousand in the Dothan MSA. Three (or 43%) of these loans were made in moderate income geographies; none were made in low income geographies. One (or 14%) and four (or 57%) were made to low and moderate income borrowers, respectively.

INVESTMENT TEST

STB made a poor level of qualified community development investments in the Dothan assessment area, as follows:

- STB made fifteen grants approximating \$12 thousand that were used to provide child care, educational, health, housing, or social services to LMI individuals.
- STB made a \$250 grant to an organization that has the objective of revitalizing Downtown Dothan.

SERVICE TEST

STB's Dothan assessment area contains a good distribution of branches. The percentage of branches located in moderate income tracts compares very favorably the percentage of families in those tracts. Three branches are within two miles of the one low income tract, which is primarily a military base. Alternate delivery systems (primarily loan by phone) produced two loans; neither of which were to low or moderate income borrowers or in low or moderate income tracts.

Distribution of Branch Offices and ATM's Dothan MSA								
Tract Income Designation	Census Tracts		Families (000)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	1	3	643	2	0	0	0	0
Moderate Income	5	14	3,895	11	4	27	0	0
Middle Income	23	66	25,727	71	6	46	1	100
Upper Income	5	14	5,933	16	4	27	0	0
Uninhabited	1	3	0	0	0	0	0	0
Total	35	100	36,198	100	14	100	1	100

Source: 1990 Census Data and Bank supplied information

Branch hours are convenient, with most branches open until 6:00 p.m. on Fridays. None are open

on Saturdays. Between January 1996 and June 1997 there were no branch openings or closings in this assessment area.

Community Development Services

Bank officers have provided financial training or other financial expertise through the bank's RightStart Homebuyers Education Program and by assisting two organizations that provide community development services targeted to small businesses or low or moderate income individuals. They are as follows:

- A bank officer assists the Alabama Housing Finance Board by reviewing financing proposals for affordable multi-family housing and subsidized rental housing for low and moderate income individuals.
- A bank officer assisted the Downtown Dothan Group by helping to arrange financing for small businesses in the downtown area.

Mobile Metropolitan Statistical Area - MSA 5160

Conclusions for Performance Tests in Mobile MSA (5160)

STB's performance in the Lending, Investment, and Services Tests within the Mobile assessment area is significantly weaker than, and not consistent with, the ratings assigned for the state of Alabama. During this evaluation period, the bank's level of HMDA and consumer lending in low income tracts and to low income borrowers were significantly less than comparable demographics. HMDA and consumer lending in moderate income tracts while better in 1997 were still below demographics. The geographic distribution of small business loans, while lower than demographics, was reasonable as was the level of lending to small businesses with annual revenues less than \$1 million. The level of qualified investments in the MSA is very low. Services for low and moderate census tracts and borrowers are reasonable, however, the branch distribution is heavily weighted toward middle and upper income census tracts.

Description of Bank's Operations in MSA 5160

As of June 30, 1996, STB had \$651 million in deposits in the Mobile MSA, representing a market share of about 13% (the fourth largest in the MSA). STB had 20 branches in the MSA. Major competitors included subsidiaries of the three other large bank holding companies headquartered in the state (Regions Financial Corporation, AmSouth Bancorporation, and Compass Bancshares).

Description of MSA 5160

The Mobile MSA includes Mobile and Baldwin Counties which are located in the extreme southwest corner of Alabama. The city of Mobile is the oldest city in the state and has the state's second largest population. The city is moderately industrialized with a relatively diverse range of industries attracted to the area's waterway system and port facilities. Major industries include paper, chemicals, lumber, shipbuilding, textiles, and petroleum. In 1995, the Economic Center of Arizona State University in Tempe listed Mobile as one of the top places in America for job growth. Mobile ranks 29th in the nation and 1st in the state with 7,910 jobs created in 1995.

The 1995 HUD Consolidated Plan for Mobile shows that affordable housing in the Mobile assessment area is a credit need. Home ownership is expensive and apartment rent is too high relative to income which inhibits low income individuals from achieving home ownership. The three critical housing needs listed by the plan are:

- The reduction of substandard housing conditions;
- Maintain and improve the existing housing stock; and,
- Maximize the housing opportunities for families in need of affordable housing.

We performed one community contact during the examination. To supplement the information we received from the contact, we also reviewed two contact forms previously completed by representatives of the other bank regulatory agencies. Types of organizations contacted included local governmental agencies and nonprofit organizations devoted to increasing the supply of affordable housing and community development. From the foregoing we determined that affordable housing and financial services education were two of the primary needs in the community. One of the contacts also cited venture capital for small businesses as a major need.

Information from the 1990 census shows that the Mobile MSA had a population of 476,923 with 174,530 households. Employment was good within the MSA with only 4% unemployment in Mobile County and 3% in Baldwin County. The chart below provides additional information on the demographics of the MSA.

Assessment Area Demographic Data Distribution by Census Tract Income Level Mobile MSA												
	Low		Moderate		Middle		Upper		N/A		Total*	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	21	15	22	15	65	45	32	22	4	3	144	100
Families	12,554	10	14,144	11	70,387	54	33,164	25	nil	nil	130,249	100
Population	50,846	11	55,004	12	251,576	53	117,275	25	2,222	nil	474,701	100

Source: 1990 Census Data

The chart below shows some of the basic demographic data relative to housing for the Mobile MSA.

Housing Stock Demographics Mobile MSA						
Tract Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	TOTAL	% Multi-Family Units
Low Income	20,069	37	49	14	100%	7
Moderate Income	22,361	52	37	12	100%	12
Middle Income	111,264	62	21	17	100%	52
Upper Income	48,456	67	25	8	100%	29
TOTAL	202,150					100

Source: 1990 Census Data

LENDING TEST

STB is an active lender in the Mobile residential market. Based on the 1996 HMDA data, approximately 44% and 52% of the bank's HMDA loans were for home purchase in 1996 and YTD 1997, respectively.

As shown in the following table, STB's market share in low income census tracts is significantly less than its overall market share. At the same time, the bank's market share for moderate income areas is significantly higher than its total market share.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Mobile MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	897	6.6%	4	6	2.7%	9	50	8.3%	3
Home Improvement	373	19.7%	3	2	2.9%	6	34	22.2%	2
Total	1,270			8			84		

Source: FFIEC, 1996 HMDA data

The following table shows a satisfactory level of lending to low income and moderate income borrowers on a market share basis for home improvement loans. However, market share for home purchase and refinancing loans to low income borrowers is significantly lower than the bank's overall market share and is considered weak.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Mobile MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	897	6.6%	4	23	3.6%	10	129	5.9%	5
Home Improvement	373	19.7%	3	35	16.7%	2	60	15.4%	3
Total	1,270			58			189		

Source: FFIEC, 1996 HMDA data

Geographic Distribution

There were three low income and one middle income census tracts with no lending during 1996 and YTD 1997. The low income tracts are concentrated near the center of the city. There are no branches located in those tracts, which appears to be the primary reason for the poor lending performance. Alternative delivery systems have not been effective in generating additional loans.

The following table compares the geographic distribution of HMDA loans to the level of owner occupied housing units located in that geography. The bank's performance is weak when compared to the 1996 aggregate market which made 2% of HMDA loans in low income tracts. On the other hand, the bank's performance in moderate income tracts compares favorably to the aggregate market which made 5% of loans in such tracts.

Distribution of HMDA Loans by Census Tract Income Designation Mobile MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000)	%	#	%	\$ (000)	%
Low Income	6	8	1	242	nil	4	1	40	nil
Moderate Income	10	82	7	3,660	5	37	6	1,574	4
Middle Income	57	681	57	41,325	52	397	63	26,861	60
Upper Income	27	426	35	33,907	43	191	30	16,176	36
Total	100	1,197	100	79,134	100	629	100	44,651	100

Source: 1990 Census Data and HMDA Loan Application Register

The bank's distribution of consumer loans in the Mobile assessment area is poor. In 1996, approximately 95% of the dollar volume of consumer loans was in middle or upper income tracts with only 1% in low and 4% in moderate income tracts. Performance in 1997 is similar to 1996.

Geographic Distribution of Consumer Loans Mobile MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	10	46	2	732	1	41	2	735	1
Moderate Income	11	177	6	1,891	4	100	5	1,747	4
Middle Income	54	1,511	51	22,360	46	1,232	56	22,307	48
Upper Income	25	1,231	41	24,016	49	801	37	21,842	47
Not Available	0	4	nil	64	nil	8	nil	193	nil
Total	100	2,969	100	49,063	100	2,182	100	46,824	100

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table shows that the bank has a satisfactory record of granting small business loans in all types of census tracts. The aggregate market granted 8% of small business and farm loans in

low income census tracts and 10% in moderate income tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Mobile MSA									
Tract Income Level	% of Businesses by Location	Distribution of Small Business and Small Farms Loans by Location							
		1996				YTD 1997			
		#	%	\$	%	#	%	\$	%
Low Income	6	89	5	13,107	9	70	6	13,133	11
Moderate Income	8	128	7	11,208	7	84	8	10,917	9
Middle Income	55	1,108	60	91,109	60	626	55	55,027	48
Upper Income	27	431	24	29,820	20	310	27	29,767	26
Income Not Available	4	75	4	6,917	4	42	4	7,174	6
Total	100	1,831	100	152,161	100	1,132	100	116,018	100

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that HMDA loan distribution compared to the distribution of families based on borrower income level is satisfactory at all levels except low income. The lending level to low income borrowers is poor, at only 4% in 1996 and 5% in 1997. The bank's performance is also weak when compared to the 1996 aggregate market which made 6% and 17% of HMDA loans to low and moderate income borrowers, respectively.

Distribution of HMDA Loans by Borrower Income Level Mobile MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	23	49	4	35	5
Moderate Income	17	167	14	86	14
Middle Income	20	261	22	120	19
Upper Income	40	679	57	357	57
Not Available	0	41	3	31	5
Total	100	1,197	100	629	100

Source: 1990 Census Data and HMDA Loan Application Register

The following table indicates that STB had a low but reasonable level of consumer lending to low

income borrowers in 1996 with a strong level of lending to moderate income borrowers. However, performance in 1997 is very weak with only 2% of the loans to low income borrowers and 5% to moderate income borrowers.

Distribution of Consumer Loans by Borrower Income Level Mobile MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	23	339	11	41	2
Moderate	17	495	17	100	5
Middle Income	20	616	21	1,232	56
Upper Income	40	1,380	46	801	37
Not Available	0	139	5	8	nil
Total	100	2,969	100	2,182	100

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register

The following table indicates that STB grants small business and small farm loans of varying sizes and amounts. The bank's level of lending compares to the aggregate market which made 88% under \$100,000, 8% between \$100,000 and \$250,000 and 5% over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Mobile MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	1,400	77	40,815	27	825	73	28,266	24
Between \$100,000 and \$250,000	293	16	47,118	31	179	16	28,617	25
Greater than \$250,000	136	7	64,215	42	120	11	58,810	51
Total	1,829	100	152,148	100	1,124	100	115,693	100

Source: Dun & Bradstreet, Inc. and Bank Prepared Small Business Data Collection Register

In addition to the foregoing, 61% and 62% of the small business and farm loans granted by the bank, in 1996 and 1997 respectively, were to entities with annual revenues of less than \$1 million. This compares favorably to the aggregate market which granted 52% of loans in 1996 to firms with annual revenues less than \$1 million.

Community Development Loans

The bank did not report any community development loans.

Flexible Lending Products

STB implemented the RightStart mortgage lending program in the Mobile AA to help meet affordable mortgage needs. During the 18-month period from January 1996 through June 1997, STB originated 26 RightStart Mortgage loans totaling \$1.3 million in the Mobile AA. One (or 4%) of these loans was made in moderate income geographies and none were made in low income geographies. Six (23%) and thirteen (31%) loans were made to low and moderate income borrowers, respectively.

INVESTMENT TEST

STB has a low level of qualified community development investments in the Mobile assessment area, as follows:

- In 1978 investment securities were purchased and the proceeds were used to acquire a multi-family housing unit for low-income elderly persons. STB continues to hold \$120 thousand of this issue.
- In the Mobile AA during 1996-97, STB made eight grants approximating \$7 thousand that were used to provide educational, housing, or social services to low- or moderate-income individuals.

SERVICE TEST

Banking services in the Mobile MSA are very competitive with 10 commercial banks, two savings and loan institutions, and twenty-six credit unions operating within the MSA. STB has twenty (20) branches with fifteen (15) on-site ATM's within the assessment area. There are no branches or ATM's located in either low or moderate income neighborhoods. The locations of the bank's branches may adversely impact low or moderate income customers' ability to access the bank's services. This may also be a contributing factor to the bank's low loan penetration in low and moderate income census tracts.

Alternative delivery systems (primarily loan by phone) produced ten HMDA loans during a twelve-month period from October 1996 through September 1997: one was in a low income census tract, none were in moderate income census tracts; none were to low or moderate income borrowers.

Distribution of Branch Offices and ATM's Mobile MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	21	15	12,554	10	0	0	0	0
Moderate Income	22	15	14,144	11	0	0	0	0
Middle Income	65	45	70,387	54	12	62	0	0
Upper Income	32	22	33,164	25	8	38	0	0
Not Available	4	3	N/A	N/A	0	0	0	0
Total	144	100	130,249	100	20	100	0	0

Source: 1990 Census Data and Bank supplied information

Branch hours are convenient, with most branches open until 6:00 P.M. on Fridays. Four branches are open on Saturdays. Between January 1996 and June 1997, there were no branches opened or closed.

Community Development Services

Two bank officers perform functions related to the provision of financial services for organizations in the Mobile area. One is helping small businesses prepare loan application packages and the other is serving on the board of a corporation that makes Small Business Administration guaranteed loans.

Montgomery Metropolitan Statistical Areas - MSA 5240

Conclusions for Performance Tests in Montgomery MSA (5240)

STB's performance in the Lending, Investment and Services Tests within the Montgomery MSA was satisfactory. The geographic distribution of HMDA and consumer loans was weak and was weighted toward middle and upper income census tracts. However, the geographic distribution of business lending was very strong. The distribution of HMDA and consumer loans by borrower income level was reasonable. Lending to small businesses with revenues less than \$1 million was very good. The level of qualified investments is good. Delivery systems are satisfactory, with the number of branches located in low income census tracts comparing very favorably to the percentage of families living in these tracts. While there are no branches located in moderate income census tracts, most of the tracts are in close proximity to a branch.

Description of Bank's Operations in MSA 5240

As of June 30, 1996, STB had \$385 million in deposits in the Montgomery MSA, representing a market share of approximately 12% and ranking the bank as the fourth largest. STB operates thirteen branches and four off-site ATM's in the MSA. Major bank competitors include subsidiaries of the three other large bank holding companies headquartered in the state (Regions Financial Corporation, AmSouth Bancorporation, and Compass Bancshares).

Description of MSA 5240

The Montgomery MSA includes Montgomery, Autauga, and Elmore counties. STB has designated the entire MSA as an assessment area. The MSA, located in the center of the state, is the state's largest metropolitan area and is the State Capital. The city of Montgomery is the state's third largest population center. Montgomery has a diverse economic base, representing government, manufacturing, agricultural, services, retail, and wholesale trade. According to the Alabama Industrial Relations Council, Montgomery has led the state in the creation of manufacturing jobs over the last five years (with a 16.6% increase). Montgomery ranks second in the state in the total number of jobs created over the same time period. Employment in the MSA is good, with unemployment of only 3%.

We performed one community contact during the examination. In order to supplement information received from the contact, we also reviewed a community contact form previously completed by another bank regulatory agency. We also reviewed the 1995 HUD Consolidated Plan for Montgomery. The HUD consolidated plan indicates that there are 427 persons or families on the public housing authority waiting list. The primary needs identified from these sources include:

- Affordable housing - primarily increasing the availability. Much of the single family housing built in the last few years is beyond the price range of lower income households.
- Affordable multi-family rental units. Low income renter households are experiencing significant problems with affordable rents. Over 68% of extremely low and 42% of low income renters are currently paying in excess of 30% of their incomes in rental expenses.
- The rehabilitation of existing housing stock via home improvement lending. Over 11,000 housing units have been identified as substandard and in need of repair.
- New home buyer education and down-payment assistance, credit counseling, and home maintenance training.

The median family income for the Montgomery MSA was \$41,900. The following table provides additional information on the demographics of the MSA.

Assessment Area Demographic Data Distribution by Census Tract Income Level Montgomery MSA												
	Low		Moderate		Middle		Upper		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	7	9	14	18	37	48	19	25	0	0	77	100
Families	5,549	7	12,384	16	37,754	49	20,922	28	N/A	N/A	76,609	100
Population	24,936	9	50,203	17	143,934	49	73,444	25	N/A	N/A	292,517	100

Source: 1990 Census Data

The median housing value for the MSA is \$55,600 with a median year built of 1972. The following table shows additional demographic data for housing stock in the Montgomery MSA. It indicates the number of housing units available, whether they are owner occupied or rental property, and the level of vacancy.

Housing Stock Demographics Montgomery MSA							
Tract Income Level	of Units	% Owner Occupied	% Rental Units	% Vacant Units	TOTAL	% Multi-Family Units	
Low Income	10,734	26	57	16	100	20	
Moderate Income	18,618	61	30	9	100	7	
Middle Income	56,761	63	27	10	100	41	
Upper Income	30,641	68	25	6	100	32	
TOTAL	116,754						100

Source: 1990 Census Data

LENDING TEST

STB is an active lender in the residential real estate market. The following table shows the bank's HMDA lending by census tract income level for 1996. The bank's lending in low and moderate income tracts, while lagging behind their overall market share, is satisfactory.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Montgomery MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	393	4.8%	5	3	4.0%	8	38	4.1%	7
Home Improvement	113	12.2%	3	3	10.3%	5	11	7.5%	5
Total	506			6			49		

Source: FFIEC, 1996 HMDA data

The following table depicts the bank's HMDA lending to borrowers by income level. It also shows that the bank's market share of loans to low and moderate income borrowers generally lags behind their overall market share. However, the bank's home purchase lending to low income borrowers is very good.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Montgomery MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	393	4.8%	5	43	5.4%	6	70	4.1%	7
Home Improvement	113	12.2%	3	9	4.8%	6	18	8.5%	5
Total	506			52			88		

Source: FFIEC, 1996 HMDA data

Geographic Distribution

The bank has an adequate geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows that STB had a weak level of HMDA lending in low and moderate income tracts when compared to percentage of owner occupied housing. The bank's level of lending is satisfactory when compared to the 1996 aggregate market which made 1% and 12% of HMDA in low and moderate income tracts, respectively.

Distribution of HMDA Loans by Census Tract Income Designation Montgomery MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				1997			
		#	%	\$ (000)	%	#	%	\$ (000)	%
Low Income	4	6	1	137	nil	4	1	198	1
Moderate Income	16	49	10	1,642	4	27	10	971	4
Middle Income	50	219	43	9,423	25	113	40	6,368	28
Upper Income	30	232	46	26,260	70	138	49	15,432	67
Total	100	506	100	37,462	100	282	100	22,969	100

Source: 1990 Census Data and HMDA Loan Application Register

The following table shows a poor level of consumer lending in low income tracts. Lending in moderate income tracts is better, but still weak.

Geographic Distribution of Consumer Loans Montgomery MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	7	37	2	568	1	37	3	839	3
Moderate Income	16	138	9	2,585	7	122	11	2,216	9
Middle Income	49	611	37	10,326	27	417	36	6,858	27
Upper Income	28	859	52	24,979	65	557	49	15,744	61
Not Available	0	0	0	0	0	9	1	54	nil
Total	100	1,645	100	38,458	100	1,142	100	25,711	100

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table shows that STB's level of small business lending in low and moderate income tracts was strong for 1996. While down slightly in 1997, performance is still good as it matches the distribution of businesses. The bank's performance is comparable to the aggregate market which, during 1996, granted 12% of small business loans in low income tracts and 13% in moderate income tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Montgomery MSA									
Tract Income Level	% of Businesses by Location	Distribution of Small Business and Small Farms Loans by Location							
		1996				YTD 1997			
		#	%	\$	%	#	%	\$	%
Low Income	11	187	13	18,382	13	72	11	11,467	134
Moderate Income	8	167	11	17,936	13	54	8	7,941	9
Middle Income	25	345	24	29,614	22	169	25	16,348	20
Upper Income	56	761	52	70,816	52	372	56	47,279	57
Total	100	1,460	100	136,748	100	667	100	83,035	100

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that the bank's HMDA loans are satisfactorily distributed within the assessment area by borrower income level. Lending to low income borrowers is low when compared to that percentage of the assessment area's population. However, with 16% of the population being below the poverty level this is a satisfactory level of lending. Lending to moderate income borrowers is satisfactory as it approximates the demographic composition of family income levels. The bank's level of lending is lower than, but approximates, the 1996 aggregate market which made 11% and 21% of HMDA loans to low and moderate income borrowers, respectively.

Distribution of HMDA Loans by Borrower Income Level Montgomery MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	22	52	10	26	9
Moderate Income	17	88	17	43	15
Middle Income	21	99	19	56	20
Upper Income	40	254	50	145	52
Income Not Available	N/A	19	4	12	4
Total	100	493	100	282	100

Source: 1990 Census Data and HMDA Loan Application Register

The following table shows that the bank's level of consumer lending to low and moderate income

borrowers was disproportionately low in 1996. The bank made significant improvement in the level of lending to moderate income borrowers for year-to-date 1997 and this is considered strong. Lending to low income borrowers continued to lag behind the bank's performance in other income categories. This can be partially attributed to the poverty level in the MSA.

Distribution of Consumer Loans by Borrower Income Level Montgomery MSA					
Income Level	% of Families in Assessment Area	1996		Y-T-D 1997	
		#	%	#	%
Low Income	22	170	10	109	10
Moderate Income	17	187	11	202	18
Middle Income	21	203	12	241	21
Upper Income	40	814	50	530	46
N/A	0	271	17	60	5
Total	100	1,645	100	1,142	100

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

STB is an active small business lender in the Montgomery assessment area. The following table indicates that STB made small business and small farm loans of varying sizes and amounts during 1996 and 1997. The bank's level of lending compares to the aggregate market which made 86% under \$100,000, 8% between \$100,000 and \$250,000 and 5% over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Montgomery MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	1,101	76	35,759	26	455	68	16,756	20
Between \$100,000 and \$250,000	208	14	34,729	25	119	18	20,458	25
Greater than \$250,000	150	10	66,215	49	93	14	45,821	55
Total	1,459	100	136,703	100	667	100	83,035	100

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

In addition to the foregoing, over 70% of small business and farm loans made during both 1996 and 1997 were to entities with annual revenues of less than \$1 million. This indicates that STB is granting a high level of loans to small businesses and farms. This compares very favorably to the aggregate market which granted 44% of loans in 1996 to firms with annual revenues less than \$1 million.

Community Development Loans

The bank did not report any community development loans.

Flexible Lending Products

STB implemented the RightStart mortgage lending program in the Montgomery AA to help meet affordable mortgage needs. During the 18-month period from January 1996 through June 1997, STB originated seven RightStart Mortgage loans totaling \$462 thousand in the Montgomery AA. One (or 14%) of these loans was made in a moderate income geography; none were made in low income geographies. Two (or 29%) were made to moderate income borrowers; none were made to low income borrowers.

INVESTMENT TEST

STB has made a high level of qualified community development investments in the Montgomery assessment area, as follows:

- Investments made by STCRC for affordable housing for low- or moderate-income individuals in the Montgomery AA totaled \$2.7 million for three projects during the evaluation period.
- In the Montgomery AA during 1996-97, STB made four grants approximating \$5 thousand that were used to provide educational, housing, or social services to low- or moderate-income persons.

SERVICE TEST

Banking services in the Montgomery MSA are very competitive with all five of the state's larger holding companies operating in the MSA. In Autauga and Elmore counties, Bank of Prattville and FNB of Wetumpka are the dominant financial institutions with 47% and 40% of the deposit market share, respectively.

STB has 13 branches and four free standing automatic teller machines (ATM's) within the assessment area. With two branches located in low income tracts the bank provides an excellent level of service to low-income census tracts. On a percentage basis, the number of branches in the low income tracts more than double the percentage of families in those tracts. Additionally, six of the branches located in middle income and three of the branches located in upper income neighborhoods are within three to five miles of low or moderate income areas.

Distribution of Branch Offices and ATM's Montgomery MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	7	9	5,549	7	2	15	0	0
Moderate Income	14	18	12,384	16	0	0	1	25
Middle Income	37	48	37,754	49	2	16	1	25
Upper Income	19	25	20,922	28	9	69	2	50
Total	77	100	76,609	100	13	100	4	100

Source: 1990 Census Data and bank supplied information

Alternate delivery systems (primarily loan by phone) produced eight HMDA loans during a twelve-month period from October 1996 through September 23, 1997: none were in low income census tracts, one (1) was in a moderate income census tract to an upper income borrower; none were to low income borrowers and one was to a moderate income borrower in an upper income census tract.

Branch hours are convenient, with some branches open to 6:00 P.M. weekdays and two open until 8:00 P.M.. Three branches are open on Saturdays. No branches were opened or closed during the evaluation period.

Community Development Services

A bank officer assists the Montgomery Area Community Development Corporation by reviewing small business loan applications. The corporation was established to provide financial assistance to new or existing businesses located in areas which do not have access to conventional financial resources.

NON MSA ASSESSMENT AREAS OF ALABAMA

CONCLUSIONS FOR PERFORMANCE TESTS IN NON MSA ASSESSMENT AREAS

The bank has been responsive to the credit needs of low and moderate income individuals and areas. The bank's geographic distribution of HMDA, small business/farm and consumer loans is reasonable. The bank's distribution by income level of applicant, or the size of the business, is also reasonable. The bank's level of qualified investments is satisfactory. The bank's delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area.

DESCRIPTION OF BANK'S OPERATIONS IN NON MSA ASSESSMENT AREAS

STB operates forty-three branches and two freestanding ATMs in the seventeen non MSA counties which are subdivided into fourteen assessment areas. The following table shows the volume of HMDA, small business and consumer lending generated by each assessment area.

Lending by Assessment Area - 1996 and YTD 1997						
Assessment Area/County	Consumer		HMDA		Small Business and Farm	
	#	%	#	%	#	%
Cleburne	268	3	29	1	276	5
Coosa, Clay and Tllopoosa	754	7	156	8	21	nil
Coffee	705	7	70	3	647	12
Covington	741	7	170	8	552	11
Cullman	1,141	11	334	16	558	11
Dallas	991	10	118	6	283	5
Henry	284	3	60	3	284	5
Lee and Macon	1,114	11	222	11	391	8
Marion	893	9	98	5	167	3
Marshall	1,319	13	318	16	709	13
Pike	612	6	103	5	486	9

Lending by Assessment Area - 1996 and YTD 1997						
Randolph	351	3	66	3	479	9
Talladega	617	6	160	8	235	5
Walker	399	4	142	7	223	4
Total	10,189	100	2,046	100	5,311	100

Source: Bank Provided Data

Until the recent consolidation of SouthTrust banks, each assessment area generally was represented by an independently chartered and relatively autonomous bank. As a result and as shown above, there is some degree of dissimilarity between assessment areas. In some cases, the individual banks stressed retail lending while other banks stressed commercial lending. As an example, STB's consumer and HMDA lending in the Cleburne, Coffee, Randolph and Pike counties is relatively low, however, small business lending in those counties is much stronger. Conversely, small business lending in Coosa/Clay/Tallapoosa, Marion, Talladega and Walker counties is relatively low, while consumer and HMDA lending is much stronger.

As of 1997, the statewide non MSA median family income for Alabama was \$31,500, with 23% of the households living below the poverty level. The following two tables provide additional demographic data for the non MSA areas of Alabama. The first table details the distribution of census tracts, families, households, and population by geography income designation.

Assessment Area Demographic Data Distribution by Census Tract Income Level Non MSA Areas of Alabama												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	7	4%	16	8%	132	69%	34	18%	1	1%	190	100%
Families (000's)	5	3%	10	5%	132	70%	41	22%	0	0%	189	100%
Population (000's)	24	4%	43	6%	467	68%	152	22%	0	0%	686	100%

Source: 1990 Census Data

The assessment area's median housing value is \$45,900 with 1970 being the median year built. The following table provides other pertinent data concerning the assessment area's housing stock.

Housing Stock Demographics Non MSA Areas of Alabama						
Tract Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total # of Units	% Multifamily Units
Low Income	9,793	30%	56%	14%	100%	27%
Moderate Income	18,690	53%	36%	11%	100%	6%
Middle Income	198,012	67%	22%	11%	100%	4%
Upper Income	62,167	72%	20%	8%	100%	7%
Total	288,662					100%

Source: 1990 Census Data

There is a total of 16,365 businesses (15,893 non-farm and 472 farm) operating in the assessment area including 12,165 businesses (11,746 non-farm and 419 farm) with sales less than \$1 million. Services (36%), retail trade (29%), construction (8%) and financial services (8%) are the major industry segments and represent 73% of the number of businesses within area.

We reviewed a total of twelve community contact forms previously completed by representatives of the OCC and other regulatory agencies. Types of organizations contacted included local governmental agencies, housing and small business organizations, and nonprofit organizations. From the analysis of community contact information and other available data, the predominant needs were small business loans for newly established or proposed businesses, affordable single family housing, affordable multifamily rental, small consumer loans, and education pertaining to financial services such as home buying seminars, credit counseling, and small business counseling.

LENDING TEST

Geographic Distribution of Loans

STB has a good overall geographic distribution of HMDA, consumer and small business-farm loans. There are no conspicuous lending gaps in any of the geographies within the bank's assessment area. During the evaluation period, the bank lent funds in all census tracts or BNA's in their assessment area. The following table shows an adequate level of lending to low and moderate income geographies. In 1996, the bank's level of lending in low income tracts was particularly good, in that it approximated the proportionate level of occupied housing units in those income tracts. However, at the same time, the bank's level of lending in moderate income tracts lagged behind the proportionate number of owner occupied units in those tracts. In 1997 STB significantly improved the level of lending in moderate income tracts, however, the level of lending in low income tracts declined. Even so, the level of HMDA lending in 1997 closely approximated the distribution of owner occupied housing across all tract income levels and was considered reasonable.

Distribution of HMDA Loans by Census Tract Income Designation Non MSA Areas of Alabama									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	2%	17	2%	623	1%	17	1%	424	1%
Moderate Income	5%	18	2%	845	2%	60	5%	2,124	4%
Middle Income	71%	643	74%	34,400	73%	829	71%	35,752	69%
Upper Income	22%	195	22%	11,306	24%	267	23%	13,681	26%
NA	0%	0	0	0	0	0	0%	0	0%
Total	100%	873	100%	47,174	100%	1,173	100%	51,981	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data - U.S. Bureau of the Census

The following table shows that the bank had a very good level of lending to moderate income borrowers in relation to the proportionate number of families residing in tracts at that income level. Although less than the proportionate number of families in those tracts, lending to low income borrowers was satisfactory. This is particularly true given the high poverty rate of families residing in this area. Consumer lending for year-to-date 1997 was down in both low and moderate income tracts, but still was at a reasonable level.

Geographic Distribution of Consumer Loans Non MSA Areas of Alabama									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	3%	74	2%	381	1%	48	1%	224	nil
Moderate Income	5%	272	7%	4,265	7%	349	6%	4,479	3%
Middle Income	70%	2,296	58%	30,983	53%	4,070	65%	69,481	52%
Upper Income	22%	1,313	33%	22,510	39%	1,195	19%	20,529	15%
NA	0%	0	0	0	0	572	9%	38,570	29%
Total	100%	3,955	100%	58,139	100%	6,234	100%	133,283	100%

Source: Consumer Loan Data Register and 1990 Census Data

The following table shows that STB's penetration of loans is poor in the low income tracts. The bank's level of lending in the moderate income tracts is much better and is considered satisfactory. The bank's level of lending in 1996 was lower than the aggregate market which made 2.5% and 8% of such loans in low and moderate income tracts, respectively.

Geographic Distribution of Small Business and Farm Loans 1996 and YTD 1997 Non MSA Areas of Alabama					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	4%	1%	1%	1%	nil
Moderate Income	7%	6%	6%	5%	4%
Middle Income	60%	66%	71%	72%	75%
Upper Income	29%	27%	22%	22%	20%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection

Loan Distribution by Borrower Income

The following table compares STB's HMDA lending to borrowers of different income levels to the proportionate number of families in each income level. STB's level of HMDA lending to moderate income borrowers was excellent when compared to the percentage of moderate income families. Lending to low income borrowers, while lower, is adequate considering that 23% of the households in the non-MSA AA live below the poverty level. STB's performance exceeds the aggregate market's distribution (for HMDA reporters) of HMDA loans to low (5%) and moderate (18%) income borrowers.

Distribution of HMDA Loans by Borrower Income Level Non MSA Areas of Alabama					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	21%	51	6%	71	6%
Moderate Income	16%	211	24%	223	19%
Middle Income	20%	200	23%	225	19%
Upper Income	43%	399	46%	571	49%
Not Available	--	12	1%	83	7%
Total	100%	873	100%	1,173	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table shows the bank's level of lending to low income borrowers, when compared

to the percentage of low income families in the AA, was low; however 23% of the households in the non-MSA AA live below the poverty level which makes lending to low income borrowers more difficult. The bank's level of lending to moderate income borrowers while satisfactory in 1996, was excellent in 1997 as it exceeded the percentage of families in that income category.

Distribution of Consumer Loans by Borrower Income Level Non MSA Areas of Alabama					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	21%	312	8%	516	8%
Moderate Income	16%	453	11%	1,100	18%
Middle Income	20%	604	15%	1,108	18%
Upper Income	43%	1,933	49%	2,435	39%
Not Available	--	653	17%	1,075	17%
Total	100%	3,955	100%	6,234	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. In both 1996 and 1997 over 75% of small business - farm loans made by STB were to entities that had gross revenues of less than \$1 million. This compares satisfactorily to the aggregate market which granted 74% of loans in 1996 to firms with annual revenues less than \$1 million.

The below table shows that a large majority of the loans made in 1996 and 1997 were for amounts of less than \$100,000. The bank's level of lending approximates the 1996 aggregate market which made 91% under \$100,000, 6% between \$100,000 and \$250,000 and 3% over \$250,000.

Distribution of Small Business and Farm Loans by Loan Size Non MSA Areas of Alabama								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	3,082	87%	69,482	37%	1,431	84%	36,873	35%
Between \$100,000 and \$250,000	297	9%	47,150	25%	191	11%	32,050	30%
Greater than \$250,000	155	4%	70,593	38%	86	5%	37,330	35%
Total	3,534	100%	187,225	100%	1,708	100%	106,253	100%

Source: Small Business Data Collection Register

Community Development Loans

STB has not made any community development loans in the non MSA assessment areas of Alabama.

Flexible Lending Products

STB originated six Right Start Mortgage loans within the non MSA AA's of Alabama during 1996 and year-to-date 1997. Two of these loans were to moderate income applicants. The other four were to middle and upper income applicants. Of the six loans, one was located in a moderate income census tract. The other five loans were located in middle and upper income tracts.

INVESTMENT TEST

STB has made an overall satisfactory level of investments in the non-MSA assessment areas. However, these investments are concentrated in four of the fourteen assessment areas comprising the non-MSA areas: Coosa County - \$844,000; Dallas County - \$268,970; Talladega County - \$628,500; and, Walker County - \$1,004,114. All of the foregoing investments were made by the affiliated STCRC during the evaluation period. All of the investments were to provide affordable multi-family housing for low and moderate income individuals. The bank also has an outstanding \$15,000 qualified investment from prior years in Pike County, the proceeds of which were used to construct a farm co-op.

The bank made grants totaling \$17,726 for housing, community-based child care, educational, health, or social services targeted to low or moderate income persons. The bank also made grants totaling \$2,100 for activities which promote economic growth that was specifically targeted to small businesses.

SERVICE TEST

STB's delivery systems were readily accessible to all areas and individuals of different income levels. As shown in the following table, the dispersion of branches throughout the bank's assessment areas approximates the proportionate share of the population residing in those tracts. While slightly lower than the proportionate share of the population residing in low income tracts, the percentage of branches located in moderate income tracts significantly exceeds the portion of the population in those tracts.

Distribution of Branch Offices and ATM's Non MSA Areas of Alabama								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	7	4%	5	3%	1	2%	0	0%
Moderate Income	16	8%	10	5%	4	9%	0	0%
Middle Income	132	69%	132	70%	29	68%	2	100%
Upper Income	34	18%	42	22%	9	21%	0	0%
N.A.'s	1	1%	0	0%	0	0%	0	0%
Total	190	100%	189	100%	43	100%	2	100%

Source: 1990 Census Data and bank provided information

We further analyzed branch locations to determine if any of the seventeen non-MSA counties had not received this high level of access. There was only one county, Macon, which had a disproportionately low level of branches in its one low and four moderate income tracts. However, the bank has only one branch (in a middle income tract) in the entire county. The bank's branch is in very close proximity to, and adjoins, the low income tract and two of the moderate income tracts and these areas can receive services from this one branch.

Branch hours are reasonable and do not significantly vary among branch locations. Saturday banking is available at the majority of locations. STB has not closed or opened any branch offices since January 1, 1996.

STB makes limited use of alternative delivery systems to originate loans. During 1996 and year-to-date 1997, thirteen loans were originated through STB's mortgage loan by phone system. Three of these loans were to moderate income individuals, with the remainder being to middle and upper income individuals. None of the loans were located in low or moderate income tracts.

Community Development Services

STB provides a low level of community development services within its non MSA assessment areas. The bank has not provided any community development services, meeting the definition, in Clay, Cleburne, Coosa, Cullman, Henry, Marion and Pike counties. Community development services in the other three counties have consisted largely of:

- Financial Planning, Credit Education and Home-Buyers - sixteen seminars with 404 participants.
- Right Start Program - five seminars with 72 participants.

- Small Business Lending - six seminars with 209 participants.

In addition to the foregoing, bank officers and employees have donated time and financial expertise to the following programs, which qualify for consideration under community development services:

- Auburn Housing Authority
- Rural Economic and Community Development - Macon County Housing Program
- Guntersville Housing Authority
- FHMA - State bond seminars
- Walker County Downtown Revitalization Board
- New Liberty Baptist Church Rebuilding Project

ADDITIONAL METROPOLITAN AREAS

Lending Conclusions

STB's lending performance in the following areas is consistent with STB's low satisfactory lending performance in the state:

Anniston, Decatur, Florence, Gadsden, Huntsville, and Tuscaloosa

These conclusions are based on the facts and data presented in the following two charts.

State of Alabama MSA's Lending by LMI Geography and LMI Borrowers									
MSA	LMI Tract						LMI Borrower		
	% Owner Occp'd.	% 1996 HMDA Loans	% Families	% 1996 Cons. Loans	% of Businesses	% Small Biz & Farm Loans	% Families	% 1996 HMDA Loans	% 1996 Cons. Loans
Anniston	13	9	15	6	22	17	38	33	39
Decatur	7	8	8	1	8	7	35	39	33
Florence	9	9	11	8	25	18	39	26	26
Gadsden	17	10	18	20	34	16	38	26	30
Huntsville	18	14	23	11	32	18	38	31	29
Tuscaloosa	16	14	19	10	30	18	39	17	17

Source: 1990 Census Data

State of Alabama MSA's % of Small Business and Farm Loans by Loan Size and % of Loans to Firms With Annual Revenues < \$1,000,000					
MSA	Loan Size				% Loans to Firms with Annual Revenues <\$1,000,000
	<\$100,000	\$100,000- \$250,000	>\$250,000	Total	
Anniston	87	10	3	100	83
Decatur	84	8	8	100	77
Florence	85	9	6	100	80
Gadsden	87	11	2	100	84
Huntsville	72	21	7	100	75
Tuscaloosa	77	15	8	100	57

Investment Conclusions

STB's investment performance in the following areas is consistent with STB's high satisfactory investment performance in the state:

Decatur, Gadsden, Huntsville, and Tuscaloosa

STB's investment performance in the following areas is worse than STB's high satisfactory investment performance in the state; however, it does not change the rating for the state:

Anniston, Florence

These conclusions are based on the facts and data presented in the following table and bullet points.

Community Development Investments: Limited Partnerships for Affordable Housing SouthTrust Community Reinvestment Corporation, SouthTrust Corporation and SouthTrust Bank, N.A. State of Alabama		
ASSESSMENT AREA	FUNDED BEFORE 1996	FUNDED 1996 AND 1997
- BIRMINGHAM MSA	\$4,426,165	\$437,481
- MONTGOMERY MSA	\$0	\$2,687,804
- DECATUR MSA	\$0	\$1,343,474
- GADSDEN MSA	\$0	\$864,000
- HUNTSVILLE MSA	\$0	\$65,685
- TUSCALOOSA	\$1,716,000	\$0
- DALLAS COUNTY	\$999,534	\$268,970
- COOSA COUNTY	\$0	\$844,000
- TALLADEGA COUNTY	\$0	\$628,500
- WALKER COUNTY	\$0	\$1,004,144
TOTAL	\$7,141,699	\$8,144,058

Source: Bank Files

In addition to the foregoing, STB has made the following qualified investments:

- Two investment securities totaling \$145 thousand that were issued for the purposes of acquiring, constructing, rehabilitating, or financing housing for low- or moderate-income people (\$120 thousand for the Mobile assessment area and \$25 thousand for the State of Alabama). The securities were purchased prior to 1996 but remain outstanding.
- A \$15 thousand industrial development revenue bond that is part of an issue that was used to acquire real property, construct and equip a plant for a farmers cooperative in one of the non-MSA counties included in our review.
- Small grants or donations in six of its seventeen non-MSA assessment areas that were used largely to promote economic development for small businesses.
- Small grants or donations to organizations that promote small business development were made in four of the six MSA assessment areas that were not selected for full procedures during this evaluation.

Service Conclusions

STB's service performance in the following areas is consistent with STB's high satisfactory

service performance in the state:

Anniston, Florence, Gadsden, Huntsville, and Tuscaloosa

STB's service performance in Decatur is worse than STB's high satisfactory service performance in the state; however, it does not change the rating for the state:

These conclusions are based on the facts and data presented in the following chart

State of Alabama MSA's Branch and ATM Locations			
MSA	% Families in LMI Tracts	% Branches in LMI Tracts	% Off-site ATM's in LMI Tracts
Anniston	15	13	67
Decatur	8	0	0
Florence	11	25	NA
Gadsden	18	33	0
Huntsville	23	18	22
Tuscaloosa	19	17	0

State Rating - Florida

CRA Rating for Florida: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF THE BANK'S OPERATIONS IN FLORIDA

Area Description

STB's assessment areas include 17 of the 20 MSAs and 5 of 33 non-MSA counties within the state of Florida. The bank's 170 branches operate in 34 of Florida's 67 counties. At June 30, 1997, STB's Florida operations totaled \$6.0 billion with a 3% deposit share in the state. The 17 MSAs that STB has designated as their assessment areas are: Daytona Beach, Fort Lauderdale, Fort Myers/Cape Coral, Fort Walton Beach, Gainesville, Jacksonville, Lakeland, Melbourne/Titusville/Palm Bay, Naples, Ocala, Orlando, Pensacola, Punta Gorda, Sarasota/Bradenton, Tallahassee, Tampa/St. Petersburg/Clearwater, West Palm Beach/Boca Raton.

The assessment areas include a total of 1,842 geographies. According to 1990 census information, 85 (5%) of the geographies are low income, 373 (20%) are moderate income, 945 (51%) are middle income, 416 (22%) are upper income, and 40 (2%) lack sufficient population to be assigned an income level. Population of the assessment areas was approximately 9.6 million. As a whole, the assessment areas include 79% of total Florida geographies, 74% of the state's population, and 77% of low and moderate income geographies and families. The assessment areas have 2.6 million families of which approximately 58,000 (2%) are low income, 463,000 (17%) are moderate income, 1.5 million (56%) are middle income, and 636,000 (25%) are upper income. STB's Florida assets represent about 20% of the bank's total assets. However, approximately 24% of deposits of STB are generated from Florida operations.

Scope

We performed full examination procedures in five (Daytona Beach, Gainesville, Ocala, Pensacola and Tampa/St. Petersburg) of the bank's seventeen assessment area MSAs and the five non-MSA counties in aggregate. These 5 MSAs contained 34% of geographies within the bank's assessment areas and 42% of STB branches in Florida. For the remaining twelve MSAs we did not perform full examination procedures. We reviewed limited data to determine if the bank's performance in the Lending, Investment, and Service tests in the individual MSAs was consistent with the overall ratings for the State.

Available information on businesses in the assessment shows a total of 281,396 businesses, of which 73% were small businesses (revenues less than or equal to \$1,000,000). The assessment areas had 7,738 farms, of which 90% were small farms (revenues less than \$500,000).

Community Contacts

During the examination, we contacted 6 community organizations within the targeted five MSAs and five non-MSA counties. The predominant needs identified were for affordable housing and small business loans. To augment information received from our contacts, we reviewed more than 20 community contact forms previously completed by representatives of the OCC, Federal Reserve and FDIC. Types of organizations contacted included local governmental agencies, civil rights groups and private, nonprofit organizations. We also reviewed U.S. Department of Housing and Urban Development (HUD) Consolidated Strategies and Plans which were available for eight counties.

CONCLUSIONS FOR CRA PERFORMANCE IN FLORIDA

Based upon our detailed review of the five MSAs and the aggregate non MSA areas of the state, STB's performance in Florida is considered satisfactory. While all six areas were considered in deciding the ratings for the state, the bank's performance in the Tampa and Daytona Beach MSAs were given more weight due to the size of STB's operations and its market presence in these areas. STB has a relatively high level (27 loans for \$19.4 million) of community development lending in Florida. The majority of community development loans (68%) during this evaluation period were for low income, multi-family housing. The bank has financed more than 858 housing units for low income families. The bank has adequate loan penetration in LMI areas and to LMI individuals. In addition, a majority of STB'S small business loans were to businesses with revenues less than \$1 million and a significant number were in amounts less than \$100 thousand.

STB has an adequate level of qualified community development investments and grants, but does not usually participate in a leadership position. The bank's delivery systems are reasonably accessible to geographies and borrowers of different income levels in its assessment areas. The bank provides an adequate level of community development services.

Detailed discussions and data for the five selected MSAs and the aggregate data and discussion for the non-MSA areas of the state are included in the latter portions of this section of the evaluation. Conclusions and limited data are also provided for all of STB's remaining metropolitan assessment areas.

Daytona Beach Metropolitan Statistical Area - MSA 2020

Conclusions for Performance Tests in Daytona Beach MSA (2020)

STB's performance in the Lending, Investment, and Services tests within MSA 2020 was satisfactory. The bank's HMDA and consumer loan distribution by census tract and borrower income level was satisfactory. The volume and distribution of business lending were also satisfactory. The level of community development lending is very good. The level of qualified investments is low. The level of community development services is high and delivery systems are accessible to all areas.

Description of Institution's Operations in MSA 2020

At Year end 1996, STB had \$540 million in deposits in MSA 2020, which represented 13% of STB's Florida deposits and an MSA market share of about 10%. STB has 14 branches in MSA 2020. Major competitors include Barnett Bank, First Union, SunTrust and NationsBank. Relative to its population, a high number of HMDA loans were made in MSA 2020 by STB. While the MSA contains only 4% of families and 8% of branches in all Florida MSAs, it contained 14% of all HMDA loans originated in 1996.

Description of MSA 2020

MSA 2020 contains two counties: Volusia and Flagler. Approximately 23% of the population is over 65, 5% of households are on public assistance, and 11% of households are below the poverty level. Services and retail industries are the chief employers, employing approximately 65% of MSA workers. Volusia is the fern-producing capital of the world and provides the bulk of the 1,038 "agriculture" jobs. The two tables that follow show demographic data for the Daytona Beach MSA. HUD updated median family income was \$36,200 in 1996 and \$37,400 in 1997. Median housing value is \$72,989 with a median year built of 1975. Identified credit needs were affordable housing and small business loans.

Assessment Area Demographic Data Distribution by Census Tract Income Level Daytona Beach MSA												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	4	5%	12	16%	48	64%	10	14%	1	1%	75	100%
Families (000)	3	2%	13	12%	84	75%	12	11%	0	0	112	100%
Population (000)	13	3%	52	13%	290	73%	44	11%	0	0	399	100%

Source: 1990 Census Data

Housing Stock Demographics Daytona Beach MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	4,645	34%	56%	10%	100%	4%
Moderate Income	29,102	46%	38%	16%	100%	22%
Middle Income	144,578	62%	21%	17%	100%	70%
Upper Income	17,862	76%	15%	9%	100%	4%
TOTAL	196,187					100%

Source: 1990 Census Data

LENDING TEST

The two tables that follow show STB's market share and rank for 1996 HMDA loans. The first table shows market share and rank by census tract income level. STB's level of lending in low income tracts was less than their overall lending in the assessment area, particularly in the case of home purchase and refinance loans. On the other hand, the bank's level of lending to moderate income tracts was considerably better than their overall market lending. This represented a good level of performance.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Daytona Beach MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	727	6.0%	3	2	2.2%	11	75	8.3%	3
Home Improvement	209	11.4%	2	3	10.3%	3	21	13.5%	3
Total	936			5			96		

Source: FFIEC, 1996 HMDA Data

The following table shows that STB had an excellent level of lending to moderate income borrowers. The bank's lending to these individuals exceeded their overall market share in all categories. Lending to low income borrowers in home purchase and refinance loans was also very good in that their market share exceeded their overall share. Home improvement lending to low income borrowers was slightly below the bank's overall market share but was adequate.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Daytona Beach MSA									
Loan Product	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	727	6.0%	3	51	6.1%	4	167	7.4%	3
Home Improvement	209	11.4%	2	15	8.9%	3	38	12.5%	3
Total	936			66			205		

Source: FFIEC, 1996 HMDA

Geographic Distribution of Loans

The bank has a reasonable geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows that in 1996 the bank's level of lending in low and moderate income areas approximated the percentage of owner occupied homes in those areas. The bank matched the aggregate market's lending in low income tracts (1%) and exceeded it in moderate income tracts (8%) which is good performance. Lending year-to-date, particularly in low income tracts is down from 1996 performance.

Distribution of HMDA Loans by Census Tract Income Designation Daytona Beach MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	1%	5	1%	136	nil	0	0%	0%	nil
Moderate Income	12%	97	10%	4,423	8%	26	9%	1,969	10%
Middle Income	76%	699	75%	38,044	72%	220	75%	14,127	69%
Upper Income	11%	135	14%	10,589	20%	45	16%	4,414	21%
NA	0	0	0%	0	0%	1	nil	94	nil
Total	100%	936	100%	53,192	100%	292	100%	20,604	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table compares the bank's level of consumer lending in 1996 and the first six months of 1997 to the proportionate number of families residing in census tracts. As shown in the table, the bank's level of lending, while slightly lower, approximates the demographic makeup of its assessment area. This performance is considered satisfactory.

Geographic Distribution of Consumer Loans Daytona Beach MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	2%	13	1%	156	1%	4	nil	56	nil
Moderate Income	12%	202	11%	3,132	11%	108	10%	1,452	7%
Middle Income	75%	1,312	73%	18,620	65%	822	75%	15,019	73%
Upper Income	11%	265	15%	6,606	23%	162	15%	4,014	20%
Not Available	0	0	0	0	0	2	nil	28	nil
Total	100%	1,792	100%	28,514	100	1,098	100%	20,569	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

The following table compares the bank's level of small business and small farm lending to the proportionate number of small businesses operating in tracts of different income levels. As shown in the table, the bank's level of lending to small businesses and farms approximate the demographic makeup of its assessment area. The bank's performance compared to the 1996 aggregate market is satisfactory. The aggregate market made 6% of loans in low income tracts and 14% in moderate income tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Daytona Beach MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	3%	2%	7%	2%	1%
Moderate Income	21%	16%	9%	20%	17%
Middle Income	67%	71%	70%	67%	61%
Upper Income	9%	11%	14%	11%	21%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table compares STB's lending to low and moderate income borrowers to the proportionate number of families in each income level. As shown in the table, the bank has a good record of lending to moderate income borrowers, particularly in 1996. Lending to low income borrowers, while lower, is at a satisfactory level. The bank's level of lending compares

favorably to the 1996 aggregate market which made 7% of loans in low income tracts and 19% in moderate income tracts.

Distribution of HMDA Loans by Borrower Income Level Daytona Beach MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	17%	66	7%	17	6%
Moderate Income	20%	206	22%	53	18%
Middle Income	24%	246	26%	81	28%
Upper Income	39%	401	43%	140	48%
Not Available	0	17	2%	1	nil
Total	100%	936	100%	292	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows a satisfactory level of consumer lending to all income groups, including low and moderate income borrowers. When consideration is given to the fact that 11% of the households in the MSA are below poverty level, the bank's performance is relatively strong.

Distribution of Consumer Loans by Borrower Income Level Daytona Beach MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	17%	253	14%	108	10%
Moderate Income	20%	312	17%	154	14%
Middle Income	24%	425	24%	178	16%
Upper Income	39%	675	38%	415	38%
Not Available	0	127	7%	243	22%
Total	100%	1,792	100%	1,098	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

STB makes business loans of varying amounts and to businesses of different sizes. The table below shows that the vast majority of business loans are for amounts less than \$100,000. The bank's performance is slightly lower than the aggregate market in 1996 which made 87% less than \$100,000, 7% between \$100,000 and \$250,000 and 5% over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Daytona Beach MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	368	80%	11,458	27%	201	78%	6,424	26%
Between \$100,000 and \$250,000	46	10%	8,046	19%	30	12%	5,268	22%
Greater than \$250,000	47	10%	22,755	54%	27	11%	12,621	52%
Total	461	100%	42,259	100%	258	100%	24,313	100%

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 67% and 63% of the small businesses and small farms to which the bank made loans had revenues less than \$1 million. Performance during 1996 approximated the aggregate market which made 69% of loans to firms with revenues less than \$1 million.

Community Development Loans

STB has made, or committed to make, a relatively high level of community development loans in the Daytona Beach MSA. During the evaluation period, nine community development loans totaling \$8.4 million were made. Some of the more significant community development loans and commitments include:

- \$5.8 million to finance a 300-unit apartment complex specifically for low and moderate income families.
- \$860,000 to rehab a historic building in downtown Daytona Beach. The building is located in a low income tract and will be used as legal offices to represent low and moderate income persons only.
- \$1 million commitment to fund loans under the Rural Development Program (U.S. Department of Agriculture). Currently the bank has funded nine loans with outstanding balances of \$289,907. All loans are in Volusia County. Eleven (11) other loans totaling \$247,560 have been approved and are awaiting closing.

Flexible Lending Products

STB makes use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. During this 18-month evaluation period, STB has originated 91 RightStart Mortgage loans totaling \$5,738,000 in the Daytona Beach MSA. One percent and 10% of these loans were made in, respectively, low and moderate income geographies. Fourteen percent (14%) and fifty seven percent (57%) percent were made to, respectively, low and

moderate income borrowers.

INVESTMENT TEST

Investments in MSA 2020 reflect a poor level. Qualified investments in the form of donations and contributions totaled \$5,150.

SERVICE TEST

The bank's performance in MSA 2020 with respect to the service test is consistent with the State of Florida rating. While the bank does not have any branches in low income tracts, the number of branches in moderate income tracts exceeds the proportionate share of families residing in those tracts. Alternative delivery systems produced four HMDA loans, none of which were to low and moderate income tracts or individuals. Alternative delivery systems consist primarily of loans by phone. The following table shows that the bank's delivery systems are reasonably accessible to essentially all portions of MSA 2020. This is validated by the relatively good distribution of loans throughout the assessment area.

Distribution of Branch Offices and ATM's Daytona Beach MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	4	5%	2,566	2%	0	0%	0	0%
Moderate Income	12	16%	13,208	12%	2	14%	0	0%
Middle Income	48	64%	84,525	75%	11	79%	1	50%
Upper Income	10	13%	12,311	11%	1	7%	1	50%
Uninhabited	1	1%	0	0%	0	0%	0	0%
Total	75	100%	112,610	100%	14	100%	2	100%

Source: 1990 Census Data, US Bureau of the Census and Bank supplied information

The bank does not offer any offsite ATM's in low and moderate income geographies. One offsite ATM is at a flea market in a high income tract. However, both branches in moderate income areas have onsite ATMs. Business hours are convenient to all portions of the assessment area. STB offers banking hours on Saturday at all fourteen offices in this assessment area. During 1996, the bank opened one branch in MSA 2020. The branch is located in a middle-income area. The bank did not close any branches in this assessment area from January 1996 to June 1997.

Community Development Services

The bank has provided a high level of community development services. Between January 1996 and June 1997, the bank held fifteen RightStart mortgage seminars which were attended by 125 people. Also, the bank has donated financial resources and employee time to the following organizations:

- Church Outreach Seminars for churches of all sizes and denominations where bank representatives explain the purpose of the Church Outreach Program and present STB products available to churches. The program is a means of assessing community credit needs of low and moderate income areas and for meeting the credit needs of those areas.
- Habitat for Humanities, a nonprofit organization consisting of community volunteers whose goal is to provide affordable housing to very low and low income families. STB supports this organization with donations of money, interest free loans for some of its projects, and time volunteered by employees.
- Mid-Florida Housing Partnership, Inc. - a nonprofit organization that facilitates affordable housing financing and conducts home buyer seminars and GED courses. This organization also provides expertise in setting up small businesses, including technical support. The bank's Compliance Officer, as a Board member, gives financial and banking expertise.
- Home & Neighborhood Development, Inc (HAND) - Generally provides small personal loans, usually less than \$1,000, to low-income individuals for housing-related and personal needs. The bank's Compliance Officer provides financial assistance and expertise as Chairman of the Finance Committee and a Board member of this nonprofit organization.
- MainStreet DeLand - An advocacy and action organization dedicated to downtown DeLand business development. The downtown area is located in a low and moderate income area. A commercial loan officer from STB acts as the treasurer of this organization, which is located in a moderate income tract.
- Small Business Development Center - A program that is funded by SBA and Daytona Beach Community college, providing information and consultation services for new and existing small businesses. A commercial lender at STB acts as the bank's liaison. This officer also taught a weekend class for small business owners at the Community College.
- Central Florida Community Development Corporation - responsible for revitalizing commercial properties in an Enterprise Zone in Daytona Beach. The bank frequently communicates with the program and assists with its financial programs.

Gainesville Metropolitan Statistical Area - MSA 2900

Conclusions for Performance Tests in Gainesville MSA (2900)

STB's performance in the Lending, Investment, and Services tests within MSA 2900 was satisfactory. The bank's HMDA and consumer loan distribution by census tract and borrower income level was satisfactory. The volume and distribution of business lending were also satisfactory. The level of community development lending is very good. The level of qualified investments is low. The level of community development services is satisfactory and delivery systems are accessible to all areas.

Description of Bank's Operations in MSA 2900

At Year end 1996, STB had \$84 million in deposits in MSA 2900, representing 2% of STB's Florida deposits and an MSA market share of about 5%. STB has 3 branches in MSA 2900, all in the city of Gainesville. Major competitors include Barnett Bank, First Union, SunTrust and Gainesville State Bank. STB has had a presence in Gainesville since December of 1994 when it acquired two offices of American National Bank. A third office opened in February 1995.

The Gainesville MSA is one of the smaller MSAs, containing only 1.5% of families in the combined Florida MSAs and 3% of HMDA loans made in 1996. Gainesville, the largest city in the MSA, is the home of the University of Florida, with 43,000 students.

Description of MSA 2900

MSA 2900 contains one county: Alachua. Approximately 9% of the population is over 65, 6% of households are on public assistance, and a high level of households (23%) are below the poverty level. Services and retail industries are the chief employers. Approximately 53% of the work force is employed either by the University of Florida in Gainesville or by Federal, state, county or city government agencies. Alachua has 1,500 doctors, which is the second highest per capita of doctors and medical professionals in the state.

The two tables that follow show demographic data for the Gainesville MSA. The first table shows the distribution of geographies, families, households, and population by census tract income level. The second table shows housing stock demographics by census tract income level. HUD updated median family income was \$38,400 in 1996 and \$39,000 in 1997. Median housing value is \$64,400 with a median year built of 1973. Identified credit needs include affordable housing and small business loans.

Assessment Area Demographic Data Distribution by Census Tract Income Level Gainesville MSA										
	Low		Moderate		Middle		Upper		Total	
	#	%	#	%	#	%	#	%	#	%
Census Tracts	4	14%	8	29%	9	32%	7	25%	28	100%
Families (000)	3	7%	10	25%	18	43%	10	25%	41	100%
Population (000)	20	11%	53	29%	66	36%	43	24%	182	100%

Source: 1990 Census Data

Housing Stock Demographics Gainesville MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	5,985	22%	66%	12%	100%	11%
Moderate Income	27,467	30%	57%	13%	100%	57%
Middle Income	27,915	64%	26%	10%	100%	15%
Upper Income	17,655	61%	32%	7%	100%	17%
TOTAL	79,022					100%

Source: 1990 Census Data

LENDING TEST

The two tables that follow show STB's market share and rank for 1996 HMDA loans. The first table shows an excellent level of home improvement lending in low income tracts, at 5 times their overall market lending. The level of lending in moderate income tracts for home purchase/refinancing was also strong at more than 100 basis points higher than their overall market share. There was no lending for home purchases/refinancing in low income tracts and for home improvement lending in moderate income tracts. However, the combined level of lending for all types of residential mortgage lending in low income tracts still exceeds overall market lending. This was a very good level of performance.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Gainesville MSA									
Loan Product	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	173	3.9%	8	0	0.0%	0	42	5.3%	6
Home Improvement	9	2.0%	12	1	10.0%	4	0	0.0%	0
Total	182			1			42		

Source: FFIEC, 1996 HMDA Data

The following table shows that STB had an adequate level of lending to moderate income borrowers. The bank's lending to these individuals approximates their overall market share in all categories. Lending to low income borrowers, particularly in home improvement loans, was weak.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Gainesville MSA									
Loan Product	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	173	3.9%	8	5	1.6%	15	27	3.5%	7
Home Improvement	9	2.0%	12	0	0.0%	0	1	1.3%	17
Total	182			5			28		

Source: FFIEC, 1996 HMDA Data

Geographic Distribution of Loans

The bank has a reasonable geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows an adequate level of lending in 1996 to low and moderate income areas relative to the number of owner occupied homes in those areas. The bank's percent of HMDA loans to low and moderate income geographies compares favorably to aggregate HMDA lending by all lenders within the Gainesville MSA. On an aggregate basis, lenders made 20% of HMDA loans to low and moderate income geographies during 1996. By comparison, the bank made 25% of its HMDA loans to low and moderate income geographies. While slightly lower than the aggregate markets lending to low income tracts (2%) the bank was significantly higher in moderate income tracts (18%).

Distribution of HMDA Loans by Census Tract Income Designation Gainesville MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	3%	1	1%	3	0%	0	0	0	0
Moderate Income	22%	43	24%	2,335	18%	13	15%	816	12%
Middle Income	47%	62	32%	4,617	32%	39	44%	2,969	44%
Upper Income	28%	78	43%	6,887	50%	36	41%	2,988	44%
NA	0	0	0%	0	0%	0	0	0	0
Total	100%	182	100%	13,842	100%	88	100%	6,773	100

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table compares the bank's level of consumer lending in 1996 and the first six months of 1997 to the proportionate number of families residing in census tracts. As shown in the table, the bank's level of lending in 1996 was relatively low. Lending levels during 1997 were improved over 1996 and approximates the demographic makeup of its assessment area. Given the high poverty level in the MSA (23%) the bank's performance is considered satisfactory.

Geographic Distribution of Consumer Loans Gainesville MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	7%	2	1%	19	1%	4	4%	45	3%
Moderate Income	25%	21	16%	300	12%	24	22%	262	15%
Middle Income	43%	56	41%	676	28%	45	42%	616	40%
Upper Income	26%	57	42%	1,411	59%	33	31%	607	40%
Not Available	0	0	0	0	0	0	1%	0	2%
Total	100%	136	100%	2,406	100%	106	100%	1,530	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

The following table shows that the bank's level of lending in low and moderate income tracts during 1996 lagged behind the proportionate percentage of entities operating in those tracts. The bank's level of lending was also below the 1996 aggregate market's lending to low (8%) and moderate (33%) income tracts. The bank has an excellent record of lending to small businesses in low income tracts during 1997 as lending levels to small businesses and farms materially exceed the demographic makeup of low income census tracts. Lending in moderate income tracts

approximates the demographic makeup of those tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Gainesville MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	7%	3%	nil	14%	25%
Moderate Income	35%	17%	9%	35%	20%
Middle Income	34%	34%	37%	10%	3%
Upper Income	24%	46%	54%	41%	52%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and bank provided Small Business Data Collection Register.

Loan Distribution by Borrower Income

The following table shows that the bank has a satisfactory record of lending to moderate income borrowers. Lending to moderate income borrowers, in 1996, approximated the proportion of families in that income group. In 1997, the bank's lending to moderate income borrowers significantly exceeded the percentage of families in that income group. However, lending to low income borrowers is substantially below the proportionate number of low income families within the assessment area for both 1996 and 1997. The bank's performance in 1996 is also low compared to the 1996 aggregate market's lending to low (8%) and moderate (18%) income borrowers.

Distribution of HMDA Loans by Borrower Income Level Gainesville MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	23%	5	3%	3	3%
Moderate Income	17%	28	15%	20	23%
Middle Income	19%	53	29%	16	18%
Upper Income	41%	88	47%	49	56%
Not Available	0%	10	6%	0	0
Total	100%	184	100%	88	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows a reasonable level of consumer lending to all income groups, including low and moderate income borrowers.

Distribution of Consumer Loans by Borrower Income Level Gainesville MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	23%	21	16%	9	8%
Moderate Income	17%	15	11%	21	19%
Middle Income	19%	32	23%	9	8%
Upper Income	41%	60	44%	27	25%
Not Available	0%	8	6%	40	40%
Total	100%	136	100%	106	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

STB makes business loans of varying amounts and to businesses of different sizes. The table below shows that the vast majority of business loans are for amounts less than \$100,000. The bank's level of lending is lower than the aggregate market which made 90% less than \$100,000, 6% between \$100,000 and \$250,000 and 4% over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Gainesville MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	23	66%	836	21%	15	52%	515	10%
Between \$100,000 and \$250,000	6	17%	937	24%	9	31%	1,476	30%
Greater than \$250,000	6	17%	2,121	55%	5	17%	2,977	60%
Total	35	100%	3,894	100%	29	100%	4,968	100%

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 67% and 63% of the small businesses and small farms to which the bank made loans had revenues less than \$1 million. This compares favorably to the aggregate market which made 47% of loans to entities with annual revenues less than \$1 million.

Flexible Lending Products

STB Corporation has developed an affordable lending product for its subsidiary banks called the

RightStart Program under which this bank has not extended any loans.

INVESTMENT TEST

Investments in the Gainesville MSA are poor. STB made qualified community development contributions of \$19,556 from January 1996 to June 1997 in this assessment area. The sole qualified investment was to the United Way. Through the bank's purchase agreement of the building occupied by the United Way, the agency will have a cash savings of \$17,056 in 1997. The purchase agreement allows the United Way to occupy the building through December 1997 with no lease payments. Additionally, the bank donated \$2,500 to the United Way. Many of the organizations supported by the local United Way chapter provide community services targeted to assist low- and moderate-income individuals. Examples of these organizations include affordable housing organizations, food banks and senior aid programs.

SERVICE TEST

The bank's performance in MSA 2900 with respect to the service test is consistent with the State of Florida rating. The table that follows shows that while the bank has no branches in low income tracts, the percentage of branches in moderate income tracts exceeds the percentage of families residing in both low and moderate income tracts. The bank's delivery systems are reasonably accessible to essentially all portions of MSA 2900.

Distribution of Branch Offices and ATM's Gainesville MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	4	14%	2,742	7%	0	0%	0	0%
Moderate Income	8	29%	10,211	25%	1	33%	0	0%
Middle Income	9	32%	17,644	43%	1	33%	0	0%
Upper Income	7	25%	10,842	26%	1	33%	0	0%
Uninhabited	0	0%	0	0%	0	0%	0	0%
Total	28	100%	41,439	100%	3	100%	0	0%

Source: 1990 Census Data and Bank supplied information

The bank's delivery systems are accessible to essentially all portions of the assessment area. Business hours are convenient to all portions of the assessment area. STB offers banking hours on Saturday in all three offices in this area. There were no branch openings or closings in this

area from January 1996 to June 1997. Alternative delivery systems did not produce any HMDA reportable loans during the evaluation period.

Community Development Services

The bank provides an adequate level of community development services. STB maintains financial relationships with the following organizations:

- Economic Development Committee of Gainesville - Organization emphasis is to attract and assist in the establishment of small business in the Gainesville area. STB sends representatives to provide financial and banking assistance.
- Small Business Action Council - Helps existing and new small businesses in the Gainesville area. STB sends representatives to provide financial and banking assistance.

Ocala Metropolitan Statistical Area - MSA 5790

Conclusions for Performance Tests in Ocala MSA (5790)

STB's performance in the Lending, Investment, and Services tests within MSA 5790 was satisfactory. The bank's HMDA and consumer loan distribution by census tract and borrower income level was satisfactory. Performance in the one low income census tract was very weak; however, lending performance in moderate income tracts was excellent. The volume and distribution of business lending were also satisfactory. The level of community development lending is adequate. The level of qualified investments is low. The level of community development services is adequate and delivery systems are accessible to all areas.

Description of Institution's Operations in MSA 5790

At Year end 1996, STB had \$193 million in deposits in MSA 5790, representing 5% of STB's Florida deposits and an MSA market share of about 8%. STB has 7 branches in MSA 5790. Major competitors include Barnett Bank, SunTrust, AmSouth Bank, and NationsBank.

The Ocala MSA is one of the smaller MSAs, containing only 2% of families located in Florida MSAs in which the bank operates. However, a disproportionately large percent of HMDA loans (7.9%) made in 1996 were within MSA 5790.

Description of MSA 5790

MSA 5790 contains one county: Marion. Approximately 22% of the population is over 65, 6% of households are on public assistance, and 13% of households are below the poverty level. Services and retail industries are the chief employers. The Ocala National Forest covers 336,000 square acres in Marion County.

The two tables that follow show demographic data for the Ocala MSA. The first table shows the distribution of geographies, families, households, and population by census tract income level. The second table shows housing stock demographics by census tract income level. HUD updated median family income was \$31,900 in 1996 and \$33,300 in 1997. Median housing value is \$61,282 with a median year built of 1978. Identified credit needs include affordable housing and small business loans.

Assessment Area Demographic Data Distribution by Census Tract Income Level Ocala MSA												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	1	2%	4	9%	33	72%	7	15%	1	2%	46	100%
Families (000)	1	1%	5	8%	44	77%	8	14%	0	0	58	100%
Population (000)	3	1%	17	9%	148	76%	27	14%	0	0	195	100%

Source: 1990 Census Data

Housing Stock Demographics Ocala MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	1,064	37%	53%	10%	100%	5%
Moderate Income	8,579	55%	22%	23%	100%	6%
Middle Income	73,4423	62%	19%	19%	100%	70%
Upper Income	11,481	69%	22%	9%	100%	19%
TOTAL	94,567					100%

Source: 1990 Census Data

LENDING TEST

The two tables that follow show STB's market share and rank for 1996 HMDA loans. The first table shows that STB's level of lending in moderate income tracts was less than their overall lending in the assessment area, but still considered reasonable. The bank had no lending to low income tracts which is poor performance.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Ocala MSA									
Loan Product	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	450	7.9%	3	0	0.0%	0	13	5.1%	7
Home Improvement	94	9.6%	4	0	0.0%	0	4	5.9%	5
Total	544			0			17		

Source: FFIEC, 1996 HMDA Data

The following table shows that STB had a good level of lending to low and moderate income borrowers. This was particularly true for home improvement loans to moderate income borrowers. The bank's lending to these individuals exceeded their overall market share. Lending to low income borrowers approximated the bank's overall market share.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Ocala MSA									
Loan Product	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	450	7.9%	3	24	7.7%	3	88	7.2%	5
Home Improvement	94	9.6%	4	9	9.0%	4	21	10.5%	4
Total	544			33			109		

Source: FFIEC, 1996 HMDA Data

Geographic Distribution of Loans

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows a low level of lending to low and moderate income areas relative to the number of owner occupied homes in those areas, particularly in the case of low income tracts. The bank's percent of HMDA loans to low and moderate income geographies is comparable to aggregate HMDA lending, where all lenders made .1% of loans to low income tracts and 5% of loans to moderate income geographies during 1996.

Distribution of HMDA Loans by Census Tract Income Designation Ocala MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	1%	0	0%	0	0%	0	0%	0	0%
Moderate Income	8%	16	3%	518	2%	11	6%	606	5%
Middle Income	78%	446	82%	22,104	76%	143	76%	9,712	74%
Upper Income	13%	82	15%	6,249	22%	34	18%	2,771	21%
NA	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	544	100%	28,871	100%	188	100%	13,089	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table compares the bank's level of consumer lending in 1996 and the first six months of 1997 to the proportionate number of families residing in census tracts of differing income levels. As shown in the table, the bank's level of lending in low and moderate income census tracts closely approximates the demographic makeup of its assessment area.

Geographic Distribution of Consumer Loans Ocala MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	1%	14	nil	162	nil	4	nil	56	nil
Moderate Income	8%	270	9%	3,873	9%	135	8%	1,753	6%
Middle Income	77%	2,298	76%	28,698	69%	1,416	77%	22,638	75%
Upper Income	14%	437	15%	8,948	22%	279	15%	5,920	19%
Not Available	0%	0	0	0	0	0	0%	0	0
Total	100%	3,019	100%	41,681	100%	1,834	100%	30,367	100%

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table compares the bank's level of small business and small farm lending to the proportionate number of small businesses operating in tracts of different income levels. As shown in the table, the bank's level of lending to small businesses and farms in low and moderate income tracts approximates the proportionate number of businesses in those tracts. The bank's level of lending also closely approximates the 1996 aggregate market which made less than half a percent of loans in low income tracts and 7% in moderate income tracts. This is considered a satisfactory level of performance.

Geographic Distribution of Small Business Loans/Small Farm Loans Ocala MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	1%	0%	0%	1%	nil
Moderate Income	7%	7%	2%	7%	9%
Middle Income	76%	65%	72%	59%	45%
Upper Income	16%	28%	26%	33%	46%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that the bank has a satisfactory record of lending to moderate income borrowers, particularly in 1996. Lending to low income borrowers, while lower than the proportion of low income families, is also considered satisfactory. The bank's level of lending closely approximates the 1996 aggregate market which made 6% of loans in low income tracts and 21% in moderate income tracts.

Distribution of HMDA Loans by Borrower Income Level Ocala MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	18%	33	6%	13	7%
Moderate Income	19%	107	20%	30	16%
Middle Income	24%	146	27%	47	25%
Upper Income	39%	248	45%	97	52%
Not Available	0	10	2%	1	nil
Total	100%	544	100%	188	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows an adequate level of consumer lending to all income groups, including low and moderate income borrowers.

Distribution of Consumer Loans by Borrower Income Level Ocala MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	18%	414	14%	162	9%
Moderate Income	19%	579	19%	285	16%
Middle Income	24%	737	24%	337	18%
Upper Income	39%	1,081	36%	639	35%
Not Available	0	208	7%	411	22%
Total	100%	3,019	100%	1,834	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

STB makes business loans of varying amounts and to businesses of different sizes. The table below shows that the vast majority of business loans are for amounts less than \$100,000. The bank's level of lending closely approximates the 1996 aggregate market which made 86% less than \$100,000, 8% between \$100,000 and \$250,000 and 7% over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Ocala MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	125	83%	4,910	41%	79	76%	2,661	26%
Between \$100,000 and \$250,000	15	10%	2,344	19%	16	15%	2,653	26%
Greater than \$250,000	11	7%	4,852	40%	9	9%	4,921	48%
Total	151	100%	12,106	100%	104	100%	10,235	100%

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 76% and 65% of the small business and farms granted by the bank were to entities which had revenues less than \$1 million. This level of lending compares very favorably to the 1996 aggregate market which made 54% of loans to firms with annual revenues of less than \$1 million.

Community Development Loans

STB's level of community development lending is commensurate with available opportunities. The only loan during the evaluation period was for \$175,000 to finance a day care facility that receives assistance with day care costs to low and moderate income families.

Flexible Lending Products

STB makes use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. During this 18-month evaluation period, STB originated nine RightStart Mortgage loans totaling \$492,000 in the Ocala MSA. No loans were made in low income tracts. Eleven percent (11%) of these loans were made in moderate income geographies. Eleven percent and 56% were made to, respectively, low and moderate income borrowers.

INVESTMENT TEST

The bank's level of qualified investments in this assessment area is poor. STB made qualified community development contributions of \$4,000 from January 1996 through June 1997.

SERVICE TEST

The bank's performance under the Service Test is satisfactory. Delivery systems are accessible to essentially all portions of the bank's assessment area. The bank has seven branch offices in MSA 5790. No branches are located in low and moderate income geographies because the number and percent of families residing in low and moderate income geographies will not profitably support a full service branch. Two moderate income tracts are located in Ocala National Forest and Fort McCoy Wildlife Management Area. Both of these areas have limited access for commercial businesses.

There are only two moderate income tracts and one low income tract that are populated. All three of these tracts are located in downtown Ocala. Residents in the low and moderate income tracts have access to a branch which, while located in an upper income tract, borders the moderate income tracts and is less than one mile from the low income tract. The moderate income tract, where a branch could be reasonably placed, contains about 2,100 families. The following table shows the distribution of the bank's branches in comparison to the number and percentage of families residing by tract income level in the AA.

Distribution of Branch Offices and ATM's Ocala MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	1	2%	686	1%	0	0%	0	0%
Moderate Income	4	9%	4,716	8%	0	0%	0	0%
Middle Income	33	72%	44,304	77%	6	86%	0	0%
Upper Income	7	15%	8,064	14%	1	14%	0	0%
Uninhabited	1	2%	0	0%	0	0%	0	0%
Total	46	100%	57,770	100%	7	100%	0	0%

Source: 1990 Census Data and Bank supplied information

Alternative delivery systems produced two loans during the evaluation period, one of which was to a moderate income borrower. Alternative delivery systems consist primarily of loans by phone. There were no branch openings or closings in this area from January 1996 to June 1997. Business hours do not vary in a way that inconvenience portions of the assessment area. All 7 branches offer Saturday hours.

Community Development Services

The bank provides an adequate level of community development services. STB maintains

financial relationships with the following organizations:

- Marion County Financial Circle of Friends - Group of ten Marion County banks and the Consumer Credit Counseling Office which educates high school students in banking. The bank opened a loan center at the local community college located in a low income census tract, where this bank's representatives donate their time on a rotational basis where loan applications are taken, credit counseling provided, and information given regarding general banking services.
- Greater Ocala Community Development -Makes micro loans to small businesses ordinarily considered "unbankable." As they are approved, loans are funded on a rotational basis by participating banks. A Senior Vice President from STB has served on the Micro Loan Committee. The organization has expanded its efforts to include an affordable housing program which is also supported by financial institutions.
- Ocala Housing Authority - Locally-based authority that administers Section 8 Program to low and moderate income families. The bank participates in meeting of this organization and has provided loans for the organizations office facility and a duplex to be rented to low income families.

Additionally, the bank conducts Church Outreach Seminars for churches of all sizes and denominations where bank representatives explain the purpose of Church Outreach Program and present STB products available to churches. The program provides a way to assess community credit needs of low and moderate income areas and for meeting the credit needs of those areas.

Pensacola Metropolitan Statistical Area - MSA 6080

Conclusions for Performance Tests in Pensacola MSA (6080)

STB's performance in the Lending, Investment, and Services tests within MSA 6080 was satisfactory. The bank's HMDA and consumer loan distribution by census tract and borrower income level was satisfactory. The volume and distribution of business lending were also satisfactory. The level of community development lending is very good. The level of qualified investments is low. The level of community development services is high and delivery systems are accessible to all areas.

Description of Institution's Operations in MSA 6080

Pensacola is one of the newer markets, with all offices opening since 1994. At Year end 1996, STB had \$47 million in deposits, representing 1% of STB's Florida deposits and an MSA market share of 2%. STB has 3 branches in MSA 6080, all of which are located in Pensacola. Major competitors include regional banks and locally established community banks such as Bank of Pensacola and Peoples First Community Bank. The Pensacola MSA contains 3.5% of families located in Florida MSAs in which the bank operates and 7.3% of HMDA loans made in 1996.

Description of MSA 6080

MSA 6080 contains two counties: Escambia and Santa Rosa. Approximately 16% of households are below the poverty level. Services and retail industries are the chief employers. Pensacola Naval Station is located in this MSA. The two tables that follow show demographic data for the Pensacola MSA. The first table shows the distribution of geographies, families, households, and population by census tract income level. The second table shows housing stock demographics by census tract income level. HUD updated median family income was \$38,000 in 1997. Median housing value is \$61,345 with a median year built of 1971. Identified credit needs include affordable housing and small business loans

Assessment Area Demographic Data - Distribution by Census Tract Income Level Pensacola MSA												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	6	9%	12	18%	34	51%	10	15%	5	7%	67	100%
Families (000)	3	4%	11	11%	60	63%	20	22%	0	0	94	100%
Population (000)	14	4%	42	12%	216	63%	71	21%	0	0	344	100%

Source: 1990 Census Data

Housing Stock Demographics Pensacola MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	6,138	42%	43%	15%	100%	6%
Moderate Income	17,605	51%	34%	15%	100%	7%
Middle Income	87,609	62%	28%	10%	100%	43%
Upper Income	33,682	58%	25%	17%	100%	44%
TOTAL	145,061					100%

Source: 1990 Census Data

LENDING TEST

The two tables that follow shows that STB's level of lending in moderate income tracts for home purchase/refinanced loans approximated their overall market share. The bank's level of lending in low income tracts was satisfactory relative to the overall market share.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Pensacola MSA									
Loan Product	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	501	4.6%	4	3	1.9%	14	30	4.2%	8
Home Improvement	8	0.5%	21	0	0.0%	0	0	0.0%	0
Total	509			3			30		

Source: FFIEC, 1996 HMDA Data

The following table shows that STB had a satisfactory level of lending to moderate income borrowers. The bank's lending to these individuals approximated their overall market share in all categories. There was no home improvement lending to low income borrowers. However, this compares to overall lending for home improvement lending, which has an overall market share of less than 1%.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Pensacola MSA									
Loan Product	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	501	4.6%	4	26	3.5%	8	74	3.7%	7
Home Improvement	8	0.5%	21	0	0.0%	0	0	0.0%	0
Total	509			26			74		

Source: FFIEC, 1996 HMDA Data

Geographic Distribution

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows that the bank's level of lending in both low and moderate income tracts lags behind the proportional percentage of owner occupied housing in those tracts. The bank's performance, while slightly below, approximates the 1996 aggregate market's level of lending to low (2%) and moderate (7%) income tracts. The bank's lending in moderate income tracts has increased significantly in 1997 and it approximates the percentage of owner occupied housing. Given the foregoing, the bank's performance is considered satisfactory.

Distribution of HMDA Loans by Census Tract Income Designation Pensacola MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	3%	3	1%	233	1%	1	1%	96	1%
Moderate Income	11%	30	6%	1,540	3%	19	10%	1,252	7%
Middle Income	64%	351	69%	31,000	69%	135	72%	13,609	76%
Upper Income	22%	125	24%	12,422	27%	32	17%	2,969	16%
NA	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	509	100%	45,195	100%	187	100%	17,926	100%

Source: FFIEC, 1996 HMDA Data and 1997 Bank HMDA Loan Application Register.

The following table shows that the bank's level of consumer lending in low income tracts for 1996

was excellent at almost twice the percentage of families residing in those tracts. However, lending levels in low income tracts have dropped significantly year-to-date 1997. Lending levels in moderate income tracts were low in 1996 and have dropped even lower in 1997. Overall consumer lending is considered weak putting more weight on the more recent performance.

Geographic Distribution of Consumer Loans Pensacola MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	4%	9	7%	926	9%	1	1%	5	nil
Moderate Income	11%	8	6%	131	1%	3	4%	191	7%
Middle Income	63%	74	58%	4,363	43%	61	75%	1,654	61%
Upper Income	22%	35	28%	4,735	47%	16	20%	871	32%
Not Available	0%	1	1%	18	nil	0	0%	0	0%
Total	100%	127	100%	10,173	100%	81	100%	2,721	100%

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table compares the bank's level of small business and small farm lending to the proportionate number of small businesses operating in tracts of different income levels. As shown in the table, the bank's level of lending to small businesses and farms in low and moderate income tracts, while improved from 1996 to 1997, still lags the proportionate percentage of businesses located in these tracts. The bank's level of performance also lags the 1996 aggregate market which made 9% of loans in low income tracts and 12% in moderate income tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Pensacola MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	12%	6%	5%	9%	3%
Moderate Income	14%	3%	1%	6%	1%
Middle Income	56%	66%	82%	68%	86%
Upper Income	18%	23%	12%	17%	10%
NA	0%	2%	nil	0%	0%
Total	100%	300	100%	100%	100%

Loan Distribution by Borrower Income

The following table shows that the bank has an adequate record of lending to moderate income borrowers. Lending to low income borrowers lags behind the proportionate number of families in that income group. This is partially explained by the relatively high percentage (16%) of households living below the poverty level. The bank's level of lending approximates the 1996 aggregate market's lending to low (7%) and moderate (18%) income borrowers. The bank's performance in 1997 has weakened considerably from 1996 levels.

Distribution of HMDA Loans by Borrower Income Level Pensacola MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	21%	26	5%	5	3%
Moderate Income	18%	75	15%	24	13%
Middle Income	22%	137	27%	49	26%
Upper Income	39%	255	50%	109	58%
Not Available	0	16	3%	0	0
Total	100%	509	100%	187	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows a satisfactory level of consumer lending to all income groups during 1997, including low and moderate income borrowers. This represented an improvement over 1996 when the lending performance was poor.

Distribution of Consumer Loans by Borrower Income Level Pensacola MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	21%	9	7%	13	16%
Moderate Income	18%	8	6%	9	11%
Middle Income	22%	9	7%	10	13%
Upper Income	39%	61	48%	44	54%
Not Available	0	40	32%	5	6%

Distribution of Consumer Loans by Borrower Income Level Pensacola MSA					
Total	100%	127	100%	81	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

STB makes business loans of varying amounts and to businesses of different sizes. The table below shows that the majority of business loans are for amounts less than \$100,000. This is lower than the 1996 aggregate market which made 88% less than \$100,000, 7% between \$100,000 and \$250,000, and 5% over \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Pensacola MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	40	66%	1,749	23%	23	68%	658	20%
Between \$100,000 and \$250,000	13	21%	2,100	28%	8	23%	1,241	38%
Greater than \$250,000	8	13%	3,652	49%	3	9%	1,400	42%
Total	61	100%	7,501	100%	34	100%	3,299	100%

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 75% and 56% of the small businesses and small farms to which the bank made loans had revenues less than \$1 million. Performance in 1996 compares very favorably to the 1996 aggregate market which made 56% of loans to entities with annual revenues less than \$1 million.

Community Development Loans

STB's level of community development lending is consistent with the rating assigned to the State of Florida. The only qualified community development loan was a \$2.6 million construction loan to a builder of homes for low and moderate income people. The project on which the loan exists is in a low income tract.

Flexible Lending Products

STB has developed a flexible lending program for subsidiary banks called the RightStart Mortgage Program. During this evaluation period, none of these flexible lending products were made in the Pensacola MSA.

INVESTMENT TEST

The level of qualified investments within this community is poor. STB made qualified community development contributions of \$1,525 from January 1996 to June 1997.

SERVICE TEST

The bank's performance in the Ocala MSA with respect to the service test is consistent with the State of Florida rating. The bank provides an adequate level of services and delivery systems are reasonably accessible to essentially all portions of the MSA. Alternative delivery systems, which consist primarily of loan by phone, produced two HMDA loans during the evaluation period, one of which was to a low income borrower.

The following table shows that the bank's one branch located in a low income tract has resulted in a very high percentage of branches in low income tracts in relation to families. While there are no branches in moderate income tracts, the bank's record of providing access to services is good.

Distribution of Branch Offices and ATM's Pensacola MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	6	9%	3,294	4%	1	33%	0	0%
Moderate Income	12	18%	10,694	11%	0	0%	0	0%
Middle Income	34	51%	59,661	63%	2	67%	0	0%
Upper Income	10	15%	20,451	22%	0	0%	0	0%
Uninhabited	5	7%	0	0%	0	0%	0	0%
Total	67	100%	94,100	100%	3	100%	0	0%

Source: 1990 Census Data and Bank supplied information

Delivery systems are accessible to essentially all portions of the institution's assessment area. Business hours do not vary in a way that inconvenience portions of the assessment area. The bank has Saturday hours in two of the three branches, both of which are located in middle income areas. The branch in the low income area is in downtown Pensacola. This is the business district of the city, which is not heavily populated and has limited traffic on Saturdays. There were no branch openings or closings in this area from January 1996 through June 1997.

Community Development Services

The bank provides an adequate level of community development services to this area. The bank held eight RightStart Affordable Home Ownership Program seminars in 1996 which were

attended by more than 630 people. Additionally, the bank held two small business seminars with 22 attendees. The bank maintains a relationship with 100 Black Men of Pensacola by donating time and donations to this organization. This organization counsels and works with minority students from low and moderate income areas.

Tampa/St. Petersburg/Clearwater Metropolitan Statistical Area MSA 8280

Conclusions for Performance Tests in the Tampa/St. Petersburg/Clearwater (Tampa) MSA (8280)

STB's performance in the Lending, Investment, and Services tests within MSA 8280 was satisfactory. The bank had a high level of community development lending (\$9.1 million) which helped meet the identified need for affordable housing in this MSA. The bank's overall distribution of HMDA, consumer, and small business lending was considered adequate while its lending to low and moderate income borrowers was considered adequate. STB's level of qualified investments is reasonable given available opportunities. The bank provides a high level of community development services and delivery systems are accessible to geographies and individuals of different incomes in the MSA.

Description of the Institution's Operations in the Tampa MSA

At year end 1996, STB had \$965 million in deposits in MSA 8280, representing 24% of STB's Florida deposits and an MSA market share of about 5%. STB has 35 branches in the Tampa MSA. Major competitors include Barnett Bank, SunTrust, NationsBank, First Union and AmSouth. The Tampa MSA is the largest of STB's Florida assessment areas, containing 20% of STB's Florida branches, 22% of Florida's families and geographies, and 22% of HMDA loans made in Florida during 1996.

Description of the Tampa MSA

The Tampa MSA contains four counties: Hillsborough, Pasco, Pinellas and Hernando. Pinellas County, which contains 17 STB branches and \$689 million in deposits, is the most densely populated county in Florida. It contains the city of St. Petersburg and many smaller cities. Pinellas is primarily a tourist area and actively promotes its beaches. There is also a large retirement population in Pinellas County. Hillsborough County contains the city of Tampa and is the home of several sports franchises. Pasco County is a rural retirement community made up of several small cities. Retirees are mainly low and moderate income families who come to the area for the climate and reasonable property values. Hernando County is primarily a residential community consisting of bedroom communities such as Spring Hill and the rural community of Brooksville.

Approximately 22% of the MSA's population is over 65, 5% of households are on public assistance, 10% are below the poverty level, and 59% are on social security or retirement income. At year end 1996, the average unemployment rate for MSA 8280 was 4%. The two tables that follow show demographic data for the Tampa MSA. The HUD updated Tampa MSA median family income was \$39,400 in 1996 and \$40,500 in 1997. Median housing value is \$78,602 with a median year built of 1972.

Assessment Area Demographic Data Distribution by Census Tract Income Level Tampa/St Pete/Clearwater MSA												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	16	4%	93	23%	194	47%	103	25%	7	2%	413	100%
Families (000)	10	2%	126	22%	272	47%	170	29%	0	0	579	100%
Population (000)	45	2%	470	23%	965	47%	585	28%	0	0	2068	100%

Source: 1990 Census Data

Housing Stock Demographics Tampa/St Pete/Clearwater MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	20,443	26%	56%	18%	100%	3%
Moderate Income	243,875	53%	27%	20%	100%	16%
Middle Income	482,594	59%	26%	15%	100%	51%
Upper Income	277,810	64%	21%	15%	100%	30%
TOTAL	1,025,064					100%

Source: 1990 Census Data

LENDING TEST

The two tables that follow show that STB's level of home purchase/refinance lending in low income tracts exceeded their overall market lending which is strong performance; however, STB made no home improvement loans in low income tracts. The level of lending in moderate income tracts, which was slightly below overall market lending, was satisfactory. Overall, STB's market share in low and moderate income tracts was satisfactory.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Tampa-St. Petersburg MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	1,297	2.1%	13	14	3.1%	7	157	1.5%	17
Home Improvement	212	2.1%	13	0	0.0%	0	25	1.3%	16
Total	1,509			14			182		

Source: FFIEC, 1996 HMDA Data

The following table shows that STB had an adequate level of HMDA lending to low and moderate income borrowers when looking at market share. The bank's lending to these individuals, while somewhat lower, approximated their overall market share in all categories.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Tampa-St. Petersburg MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	1,297	2.1%	13	81	1.6%	17	186	1.3%	18
Home Improvement	212	2.1%	13	21	1.8%	11	21	1.0%	17
Total	1,509			102			207		

Source: FFIEC, 1996 HMDA Data

Geographic Distribution of Loans

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows an adequate level of HMDA lending to low and moderate income areas relative to the number of owner occupied homes in those areas. The bank's percentage of HMDA loans in moderate income tracts was below the percentage of owner occupied housing units in 1996. However, STB's percentage of lending in moderate income tracts increased in 1997 and approximated the percentage of owner occupied housing units. The bank's lending approximates the 1996 aggregate market which made .8% of loans in low and 17% of loans in moderate income tracts.

Distribution of HMDA Loans by Census Tract Income Designation Tampa/St Pete/Clearwater MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	nil	14	1%	649	nil	3	1%	91	nil
Moderate Income	22%	186	12%	9,039	6%	68	19%	5,513	15%
Middle Income	48%	560	37%	47,166	31%	145	40%	11,680	33%
Upper Income	30%	765	50%	96,904	63%	142	40%	18,414	52%
NA	0	0	0%	0	0%	0	0	0	0%
Total	100%	1,525	100%	153,758	100%	358	100%	35,698	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows that the bank's level of consumer lending in low and moderate income tracts significantly lags the proportionate share of families residing in those tracts and is considered poor performance.

Geographic Distribution of Consumer Loans Tampa/St Pete/Clearwater MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	2%	8	nil	113	nil	4	nil	20	nil
Moderate Income	22%	318	15%	4,783	10%	170	12%	2,985	10%
Middle Income	47%	887	41%	14,512	32%	576	42%	11,278	37%
Upper Income	29%	939	44%	26,667	58%	625	46%	15,926	53%
Not Available	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	2,152	100%	46,075	100%	1,375	100%	30,209	100%

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table compares the bank's level of small business and small farm lending to the proportionate number of small businesses operating in tracts of different income levels. As shown in the table, the bank's level of lending to small businesses and farms in low income tracts equals the proportionate number of businesses in low income tracts. Business lending in moderate income tracts lags the proportionate share of businesses in moderate income tracts, and is considered low. Overall, STB's distribution of small business and farm loans was satisfactory.

The bank's level of lending to low income tracts matched the 1996 aggregate market performance (1%) but was lower than the aggregate market in moderate income tracts (24%).

Geographic Distribution of Small Business and Small Farm Loans Tampa/St Pete/Clearwater MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business/Farm Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	1%	1%	2%	2%	2%
Moderate Income	25%	18%	16%	15%	20%
Middle Income	45%	43%	39%	40%	41%
Upper Income	29%	38%	43%	43%	37%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table compares STB's HMDA lending to low and moderate income borrowers to the proportionate number of families in each income level. As shown in the table, the bank's record of lending lags behind the proportionate percentage of low and moderate income borrowers in the MSA. Lending to low income borrowers is partially explained because 10% of the households in the MSA live below the poverty level. Overall, STB's lending distribution by borrower income is considered adequate. The bank's level of lending also lags behind the 1996 aggregate market which made 9% of loans to low income borrowers and 21% to moderate income borrowers.

Distribution of HMDA Loans by Borrower Income Level Tampa/St Pete/Clearwater MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	18%	102	7%	28	8%
Moderate Income	20%	207	14%	50	14%
Middle Income	23%	284	18%	68	19%
Upper Income	39%	900	59%	204	57%
Not Available	0	32	2%	8	2%
Total	100%	1,525	100%	358	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows an adequate level of consumer lending to all income groups, including low and moderate income borrowers in 1996; however, levels have dropped in 1997 and are considered low.

Distribution of Consumer Loans by Borrower Income Level Tampa/St Pete/Clearwater MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	18%	267	12%	105	8%
Moderate Income	20%	349	16%	186	14%
Middle Income	23%	362	17%	186	14%
Upper Income	39%	1,028	48%	530	39%
Not Available	0	146	7%	368	25%
Total	100%	2,152	100%	1,375	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

STB makes business loans of varying amounts and to businesses of different sizes. The table below shows that the vast majority of business loans are for amounts less than \$100,000. The bank's level of lending is lower than the 1996 aggregate market where 89% of the business loans were for amounts less than \$100,000, 6% between \$100,000 and \$250,000 and 5% over \$250,000.

Distribution of Small Business and Small Farm Loans by Loan Size Tampa/St Pete/Clearwater MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	752	75%	25,363	24%	272	74%	10,283	23%
Between \$100,000 and \$250,000	153	15%	26,306	25%	45	12%	8,049	18%
Greater than \$250,000	104	10%	52,822	51%	52	14%	25,611	59%
Total	1,009	100%	104,491	100%	369	100%	43,943	100%

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 60% and 64% of the small business and farms loans made by the bank had revenues less than \$1 million. This compares favorably to the 1996 aggregate market which made 51% of loans to entities with annual revenues less than \$1 million.

Community Development Loans

STB's lending performance was significantly strengthened by its community development lending. The bank has made a relatively high level of community development loans in the Tampa MSA. During the evaluation period, 14 community development loans totaling \$9.1 million were made. Many of these loans were to fund affordable housing projects for low or moderate income people which is an identified need in the area. Some of the more significant community development loans include:

- \$1.7 million to renovate a 120-unit Section 8 Housing Project.
- \$482,000 participation with the Tampa Bay Community Rehab Corporation to finance low income rental units and low income housing facilities for the elderly.
- \$1 million to finance renovations for a senior citizen life care facility located in a moderate income area.
- \$800,000 to finance an apartment complex in Ybor City which falls within a designated Federal Enterprise Zone.
- \$600,000 to Goodwill Industries to finance construction of a new facility which employs physically and mentally challenged individuals. The facility also provides affordable housing and education.
- \$507,490 to provide funding to low income families to assist with affordable housing needs. Funds were advanced to the Tampa Bay Community Development Corporation, the St. Petersburg W.I.N. Program, and the Clearwater Neighborhood Housing Service.

Flexible Lending Products

STB makes use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. During this 18-month evaluation period, STB has originated 21 RightStart Mortgage loans totaling \$1,202,000 in the Tampa/St. Petersburg MSA. No loans were made in low income tracts. Thirty-three percent (33%) of these loans were made in moderate income geographies. Thirty-three percent (33%) and twenty-nine percent (29%) of these loans were made to, respectively, low and moderate income borrowers.

INVESTMENT TEST

The bank has a high level of qualified community development investments in this assessment area. STB made qualified community development investments of \$2,031,540. Some of the larger qualified investments were as follows:

- Whetstone Apartments Pinellas County FL FNMA Pool (\$2,000,000) - County bonds to support a 285-unit low-income apartment complex. The bank purchased this investment in May of 1997 and it matures in May of 2007.

- Tampa Bay Black Business Investment Corporation (\$10,000) - Assists local minority owned small businesses in economically disadvantaged areas.
- Tampa Bay Partnership for Economic Development Council (\$5,000) - Partnership of banks, nonprofit organizations and local officials concerned with improving the inner city.
- Lee Davis Neighborhood Development Corporation (\$5,000) - For the Nehemiah Project which is concerned with redevelopment in low- and moderate-income neighborhoods.

SERVICE TEST

The bank provides a relatively high level of community development services and the bank's delivery systems are accessible to individuals and geographies of different income levels. Alternative delivery systems, consisting primarily of loan by phone, have not produced any HMDA loans during the evaluation period.

The following table shows that the geographic distribution of the bank's branch structure approximates the proportional distribution of the MSA's population.

Distribution of Branch Offices and ATM's Tampa-St. Petersburg-Clearwater MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	16	4%	10,439	2%	0	0%	0	0%
Moderate Income	93	23%	126,095	22%	6	17%	1	6%
Middle Income	194	47%	272,351	47%	17	49%	11	69%
Upper Income	103	25%	170,267	29%	12	34%	4	25%
Uninhabited	7	2%	0	0%	0	0%	0	0%
Total	413	100%	579,152	100%	35	100%	16	100%

Source: 1990 Census Data and Bank supplied information

Business hours do not vary in a way that inconvenience portions of the assessment area. The bank has Saturday hours at 9 of 35 branches. However, no branches in moderate income areas offer Saturday banking hours. Two of the 6 branches in moderate income areas do not have drive-in facilities, which precludes them from opening. Only branches with drive-in facilities are open on Saturdays as bank lobbies are not open on Saturdays. A third branch in a moderate income area is located 4 blocks from an office in a middle income tract that does have Saturday hours. A fourth moderate income branch is a low transaction office that does not warrant opening on Saturday. The fifth and sixth branches in moderate income tracts conducted surveys which showed customers preferred extended weekday hours over Saturday drive-in hours.

Branch openings and closings from 1996 to June 1997 did not affect the level of services within the Tampa MSA. The bank opened one branch, located in an upper income tract and merged three branches in middle and upper income tracts. Additionally, the bank acquired six offices, with two located in moderate-income tracts. There were no branch closings.

Community Development Services

In 1996, the bank held twelve RightStart Affordable Home Ownership Program seminars attended by 304 people. The bank also held or participated in a number of community educational seminars that targeted low and moderate income housing, individuals, and community development small business programs. Some of these seminars are shown below:

- Church Outreach Seminars for churches of all sizes and denominations, a substantial portion of which are in low and moderate income areas, where bank representatives explain the purpose of the Church Outreach Program and present STB products available to churches. The program is a means of assessing community credit needs of low and moderate income areas and for meeting the credit needs of those areas.
- St. Petersburg Chamber of Commerce Entrepreneurial Academy - a ten-week educational program for existing or potential small business owners. Bank officers taught the group about available banking products and general financial principles.
- Senior Community Center - Bank officers taught a financial services class for local seniors on a fixed income.
- Joshua House - a bank representative taught a budget and finance class for young unwed mothers.
- Dunedin Elementary and Guardian Angel Schools - a bank representative taught the benefits of a savings program to students and faculty at these schools which serve a low income area. The officer also taught budgeting and balancing checking accounts.

In addition to banking-related educational seminars, STB also provided financial services to the following community development organizations:

- St. Petersburg Certified Development Corporation - provides small business and SBA 504 loans to economically disadvantaged persons. A bank officer has been President of the Board for four years. The bank also grants loans to customers of this nonprofit organization.
- Corporation to Develop Communities of Tampa, Inc. - Makes micro loans to businesses to revitalize targeted business areas. A bank officer has chaired the Economic Development Committee for 3 years and headed the micro loan program.
- Hillsborough Community Development Corporation - provides affordable housing for low and moderate income persons located in rural areas by partnering with private and financial institutions. An STB officer is a Board member and provides financial and banking expertise as needed.
- St. Petersburg W.I.N. Coalition, Tampa Challenge Fund, Clearwater Challenge Fund, St.

Petersburg Neighborhood Housing Service and Tampa/Hillsborough Action Plan - All deal with low- and moderate-income housing assistance programs. Bank officers participate in meetings by providing their technical expertise on lending programs and provide funding for housing loans channeled through these organizations.

NON MSA ASSESSMENT AREAS OF FLORIDA (Baker, Citrus, Holmes, Jackson & Washington counties)

Conclusions for Performance Tests in Non MSA Assessment Areas

The bank's responsiveness to credit needs within non MSA areas was satisfactory. Lending in moderate income areas was strong while lending to borrowers of different income levels was adequate. STB has a very good record of providing loans to small businesses and in small amounts. The level of qualified investments is reasonable given available opportunities. The level of community development services is satisfactory and delivery systems are accessible to geographies and individuals of different incomes in the assessment areas.

Description of Bank's Operations in Non MSA Assessment Areas

The bank had a 2% market share in Citrus County, a 70% market share in Baker County and a combined market share of 49% in Holmes, Jackson and Washington Counties. STB has 9 of their 170 Florida branches in non MSA areas.

Major competitors consist of regional and community banks. On a combined basis, the five Florida Non MSAs contains 2% of families and 5% of branches in Florida. Non MSA areas contained 5.8% of HMDA loans made during 1996.

Description of Non MSA Assessment Areas

The five non MSA areas are typically rural, not densely populated, and slow growing. At year end 1996, STB had \$153 million in deposits in non MSA areas, representing 4% of Florida deposits. The two tables that follow show demographic data for non MSA areas. HUD's updated statewide non-metropolitan median family income is \$32,500 for 1997. Median housing value is \$57,301 with a median year built of 1976. Identified credit needs were affordable housing and small business.

Assessment Area Demographic Data Distribution by Census Tract Income Level Non MSA Areas of Florida										
	Low		Moderate		Middle		Upper		Total	
	#	%	#	%	#	%	#	%	#	%
Block Numbering Areas	0	0%	4	11%	30	81%	3	8%	37	100%
Families (000)	0	0%	4	7%	46	85%	4	8%	54	100%
Population (000)	0	0%	14	7%	159	85%	13	7%	186	100%

Source: 1990 Census Data

Housing Stock Demographics Non MSA Areas of Florida						
BNA Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily
Low Income	0	0%	0%	0%	0%	0%
Moderate Income	6,261	63%	18%	19%	100%	5%
Middle Income	73,196	69%	15%	16%	100%	79%
Upper Income	7,180	62%	16%	22%	100%	16%
TOTAL	86,637					100%

Source: 1990 Census Data

LENDING TEST

Geographic Distribution of Loans

STB has a very good distribution of all types of loans in moderate income geographies. There are no low income geographies in the assessment areas. There were also no conspicuous gaps in STB's lending distribution. STB's percentage of lending to moderate income areas exceeded the proportion of owner occupied homes in moderate income areas. The bank's lending percentage to moderate income areas also compares extremely well to the 1996 aggregate market which made 6% of loans to moderate income areas. In both cases (demographics and aggregate market) the bank's performance was more than twice as strong. Lending levels in 1997 are down slightly from 1996 but are still strong.

Distribution of HMDA Loans by Census Tract Income Designation Non MSA Areas of Florida									
BNA Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	0%	0	0%	0	0%	0	0%	0	0%
Moderate Income	7%	59	15%	2,637	14%	20	11%	919	8%
Middle Income	86%	294	76%	12,972	69%	155	84%	9,133	83%
Upper Income	7%	33	9%	3,243	17%	9	5%	954	9%
NA	0%	0	0%	0	0%	0	0%	0	0%

Distribution of HMDA Loans by Census Tract Income Designation Non MSA Areas of Florida									
Total	100%	386	100%	18,852	100%	184	100%	11,006	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table compares the bank's level of consumer lending to the proportionate number of families residing in those census tracts. As shown in the following table, the bank's percentage of lending in moderate income tracts is excellent when compared to the percentage of families residing in those tracts. In 1996, STB's percentage of consumer loans made in moderate income tracts is more than three times the percentage of families living in those tracts. In 1997, the percentages of lending dropped but were still considered strong.

Geographic Distribution of Consumer Loans Non MSA Areas of Florida									
BNA Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	0%	0	0%	0	0%	0	0%	0	0%
Moderate Income	7%	232	22%	4,702	26%	84	16%	926	13%
Middle Income	85%	721	67%	11,577	63%	390	73%	5,083	70%
Upper Income	8%	126	11%	2,144	11%	58	11%	1,260	17%
Not Available	0	0	0	0	0	0	0	0	0
Total	100%	1,079	100%	18,423	100%	532	100%	7,269	100%

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

As shown in the following table, the bank's percentage of lending to small businesses and farms in moderate income areas greatly exceeds the proportionate share of businesses located in moderate income areas and is very good. The bank's level of lending also significantly exceeds the 1996 aggregate market which made 7% of loans in moderate income tracts.

Geographic Distribution of Small Business and Small Farm Loans Non MSA Areas of Florida					
BNA Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	0%	0	0%	0%	0%
Moderate Income	6%	17%	10%	11%	9%
Middle Income	86%	71%	70%	75%	72%

Geographic Distribution of Small Business and Small Farm Loans Non MSA Areas of Florida					
Upper Income	8%	12%	20%	14%	19%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

As shown in the following table, the bank has an adequate record of lending to moderate income borrowers when comparing to the percentage of moderate income families. However, the percentage of lending to low income borrowers significantly lags behind the proportionate share of low income families and is considered poor. Overall, STB's lending distribution by borrower income is considered adequate. The bank's lending, while slightly lower, approximates the 1996 aggregate market's lending to low (7%) and moderate (21%) income borrowers.

Distribution of HMDA Loans by Borrower Income Level Non MSA Areas of Florida					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	20%	21	5%	10	5%
Moderate Income	21%	72	18%	29	16%
Middle Income	22%	84	22%	56	30%
Upper Income	37%	196	51%	84	46%
Not Available	0	13	4%	5	3%
Total	100%	386	100%	184	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

STB's consumer lending performance is similar to its HMDA lending performance. Both low and moderate income lending percentages lag behind the percentages of low and moderate income families in the assessment areas. However, there is some improvement from 1996 to 1997 and overall performance was adequate.

Distribution of Consumer Loans by Borrower Income Level Non MSA Areas of Florida					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	20%	91	8%	41	8%

Distribution of Consumer Loans by Borrower Income Level Non MSA Areas of Florida					
Moderate Income	21%	162	15%	99	19%
Middle Income	22%	147	14%	108	20%
Upper Income	37%	301	28%	196	37%
Not Available	0	378	35%	88	16%
Total	100%	1,079	100%	532	100%

Source: 1990 Census Data and Bank Provided Consumer Loan Data Collection Register.

STB makes business loans of varying amounts and to businesses of different sizes. The table below shows that the vast majority of business loans are for amounts less than \$100,000. The bank's level of lending approximates the 1996 aggregate market where 86% of the business loans were for amounts less than \$100,000, 9% between \$100,000 and \$250,000 and 5% less than \$250,000.

Distribution of Small Business and Small Farm Loans by Loan Size Non MSA Areas of Florida								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	313	83%	7,268	33%	136	76%	3,883	28%
Between \$100,000 and \$250,000	36	10%	5,549	25%	29	16%	4,640	33%
Greater than \$250,000	26	7%	9,488	42%	13	8%	5,379	39%
Total	375	100%	22,305	100%	178	100%	13,902	100%

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 82% and 81% of the small business and farm loans were made to entities which had revenues less than \$1 million. This compares very favorably with the 1996 aggregate market which made 68% of loans to entities with annual revenues less than \$1 million.

Community Development Loans

STB has made no community development loans in non MSA counties.

Flexible Lending Products

During our evaluation period, STB made three RightStart loans totaling \$144,000. None of these loans were in moderate income areas. One of the loans was to a moderate income borrower.

INVESTMENT TEST

The level of qualified investments is consistent with limited opportunities in the non MSA counties. STB made qualified community development contributions of \$1,000 from January 1996 to June 1997 in the five counties. The sole qualified investment was to the Jackson County Consortium which focuses on affordable housing.

SERVICE TEST

STB had no branches located in moderate income geographies. However, this is reasonable given that the areas are rural in nature and contain only 7% of the families in the aggregate assessment areas and 17% of the businesses. STB is reaching low and moderate income people and geographies as shown in its lending performance. There were no branch openings or closings.

Distribution of Branch Offices and ATM's Non MSA Areas of Florida								
BNA Tract Income Designation	Block # Areas		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	0	0%	0	0%	0	0%	0	0%
Moderate Income	4	11%	3,814	7%	0	0%	0	0%
Middle Income	30	81%	45,650	85%	7	78%	1	100%
Upper Income	3	8%	4,399	8%	2	22%	0	0%
Uninhabited	0	0%	0	0%	0	0%	0	0%
Total	37	100%	53,863	100%	9	100%	1	100%

Source: 1990 Census Data and Bank supplied information

Community Development Services

The bank provides an adequate level of community development services. STB provides services to the following organizations:

- Jackson County Consortium - Purchases property for low- and moderate-income individuals so they can build homes. The bank is a member of the consortium and makes loans to qualified borrowers channeled through the consortium.
- Jackson County Minority Business Association - Holds workshops, tax counseling and awareness programs for minority businesses in economically disadvantaged areas. The bank participates in workshops, counsels potential borrowers, and makes loans to

- qualified applicants.
- Citrus County Housing Fair - Fair to identify prospects for home ownership targeted to low-income individuals. Bank representatives were available at these one day events to explain county down payment and closing cost assistance programs. Bank employees also explained the RightStart Mortgage and Home Improvement Programs.

ADDITIONAL METROPOLITAN AREAS

Lending Conclusions

STB's lending performance in the following areas is consistent with STB's high satisfactory lending performance in the state:

Fort Walton Beach, Punta Gorda, Tallahassee, Ft. Myers

STB's lending performance in the following areas is worse than STB's high satisfactory lending performance in the state; however, it does not change the rating for the state:

Fort Lauderdale, Jacksonville, Melbourne, Naples, Orlando, Panama City, Sarasota, West Palm

These conclusions are based on the facts and data presented in the following two charts.

State of Florida MSA's Lending by LMI Geography and LMI Borrowers									
MSA	LMI Tract						LMI Borrower		
	% owner Occp'd.	% 1996 HMDA Loans	% Fam- ilies	% 1996 Cons. Loans	%of Busi- nesses	% Small Biz & Farm Loans	% Fam- ilies	%1996 HMDA Loans	% 1996 Cons. Loans
Ft. Lauderdale	15	0	20	0	24	6	38	25	20
Ft. Myers	14	10	15	9	14	27	36	21	36
Ft. Walton Beach	15	18	21	25	17	40	38	17	23
Jacksonville	17	12	20	7	30	30	37	32	29
Melbourne	20	8	22	9	36	43	38	24	19

State of Florida MSA's Lending by LMI Geography and LMI Borrowers									
Naples	9	6	12	4	8	2	38	21	40
Orlando	19	17	20	16	24	23	38	27	34
Panama City	19	8	23	12	26	19	38	7	11
Punta Gorda	7	5	6	10	8	7	35	31	40
Sarasota	14	9	17	13	23	21	37	20	32
Tallahassee	17	8	21	25	26	7	34	33	25
West Palm	22	24	22	11	22	16	38	6	24

State of Florida MSA's % of Small Business and Farm Loans by Loan Size and % of Loans to Firms With Annual Revenues < \$1,000,000					
MSA	Loan Size				% Loans to Firms with Annual Revenues < \$1,000,000
	< \$100,000	\$100,000- \$250,000	> \$250,000	Total	
Ft. Lauderdale	70	20	10	100	67
Ft. Myers	77	12	11	100	72
Ft. Walton Beach	72	13	15	100	86
Jacksonville	76	18	6	100	65
Melbourne	65	27	8	100	79
Naples	58	21	21	100	73
Orlando	67	13	20	100	51
Panama City	75	14	11	100	79
Punta Gorda	52	9	39	100	88
Sarasota	57	22	21	100	75
Tallahassee	37	27	36	100	85
West Palm	50	0	50	100	40

Investment Conclusions

STB's investment performance in the following areas is consistent with STB's low satisfactory investment performance in the state:

Fort Lauderdale, Ft. Myers, Fort Walton Beach, Jacksonville, Melbourne, Naples, Panama City, Punta Gorda, Sarasota, Tallahassee, West Palm

STB's investment performance in Orlando is higher than STB's low satisfactory investment performance in the state.

These conclusions are based on the facts and data presented in the charts and narrative below.

Community Development Investments State of Florida			
Organization	Geographic Area	Type	Dollars
Investments:			
Whetstone Apts Pinellas County FL FNMA Pool	Tampa/St. Petersburg MSA	Bond	\$2,000,000
Landings Apts, Low Income Housing, FNMA Pool	Orlando MSA	Bond	1,000,000
Manatee County Housing Authority Revenue Bond	Sarasota MSA	Bond	840,000
Community Reinvestment Deposit Agreement	Orlando MSA	Deposit	95,000
Ft. Lauderdale FL Downtown Dev Authority Bond	Ft. Lauderdale MSA	Bond	50,000
Black Business Investment Corporation	Orlando MSA	Equity	10,000
Tampa Bay Black Business Investment Corp.	Tampa/St. Petersburg MSA	Equity	10,000
Grants/Contributions:			
Cape Coral Housing Development Corporation	Ft. Myers-Cape Coral MSA		8,400
Lee Davis Neighborhood Development Council	Orlando MSA		5,000
Other miscellaneous (small contributions)	Various areas		92,208
TOTAL			\$4,110,608

State of Florida MSA's Investments	
MSA	
Ft. Lauderdale	50,000
Ft. Myers	9,600
Ft. Walton Beach	600

State of Florida MSA's Investments	
Jacksonville	21,600
Melbourne	0
Naples	2,500
Ocala	4,000
Orlando	1,127,400
Punta Gorda	150
Sarasota	845,400
Tallahassee	0
West Palm	0

The two FNMA bonds totaling \$3 million are specifically for low income multi-family rental apartments. The Manatee County Housing Authority Bond was also used to fund low income housing projects. The Community Reinvestment Deposit Agreements are funds on deposit at a bank earmarked to fund loans for single family homes to low and moderate income persons. Proceeds from the Fort Lauderdale Downtown Development Authority Bond were used for downtown improvement and loans to small businesses. The two Black Business Investment Corporations are specialized, nonprofit small business investment corporations that make loans to economically disadvantaged businesses and individuals.

STB's investment performance in Daytona Beach, Gainesville, Ocala, and Pensacola is consistent with STB's low satisfactory investment performance in the state. These conclusions are based on the facts and data presented in the chart and narrative above plus a more detailed analysis of investment information and opportunities for the area. STB's investment performance in these four areas is directly considered in coming to the overall investment rating for the state of Florida.

Service Conclusions

STB's service performance in Ft. Myers is consistent with STB's low satisfactory service performance in the state. STB's service performance in the following areas is better than STB's low satisfactory service performance for the state; however, it does not change the conclusions for the state:

Jacksonville, Melbourne, Orlando, Sarasota

These conclusions are based on the facts and data presented in the following chart.

State of Florida MSA's Branch and ATM Locations			
	% Families in LMI Tracts	% Branches in LMI Tracts	% Off-site ATM's in LMI Tracts
Ft. Lauderdale	20	0	0
Ft. Myers	15	13	100
Ft. Walton Beach	21	0	100
Jacksonville	20	29	0
Melbourne	22	100	NA
Naples	12	0	NA
Orlando	20	24	0
Panama City	23	0	0
Punta Gorda	6	0	0
Sarasota	17	22	0
Tallahassee	21	0	0
West Palm	22	0	0

State Rating - Georgia

CRA Rating for Georgia: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: High Satisfactory

DESCRIPTION OF THE BANK'S OPERATIONS IN GEORGIA

Areas Description

STB's ten assessment areas include four of the eight MSAs and eight of the 117 non MSA counties within the state of Georgia. The bank's 120 branches operate in twenty-six of Georgia's counties. The bank's assessment areas include a total of 702 geographies. According to 1990 census information, 79 (11%) of the geographies are low income, 153 (22%) are moderate income, 289 (41%) are middle income, 165 (24%) are upper income, and 16 (2%) lack sufficient population to be assigned an income level. Population of the assessment areas was approximately 3.8 million. As a whole, the assessment areas include 48% of total Georgia geographies, 58% of the state's population, and 68% and 52% of low and moderate income geographies, respectively. The assessment areas have approximately one million families of which approximately 20% are low income, 18% are moderate income, 23% are middle income, and 39% are upper income.

Scope

Of the four MSAs in the bank's Georgia markets, we performed full examination procedures in one MSA (Atlanta) and the multi state MSA (Columbus, GA. - Phenix City, AL) and the eight non-MSA counties in aggregate. These MSAs contained 82% of geographies (census tracts and block numbering areas) within the bank's assessment areas and 77% of STB branches in Georgia. The findings from the evaluation of the multi state MSA are contained in a sperate section of this evaluation. For the remaining MSAs (Augusta and Chattanooga) we did not perform full examination procedures. We reviewed limited data to determine if the bank's performance in the individual MSAs was consistent with its performance in the state overall.

Community Contacts

During the examination, we contacted three community organizations within the state of Georgia. To augment information received from our contacts, we also reviewed twenty-seven community contact forms previously completed by representatives of the OCC and other regulatory agencies. Types of organizations contacted included local governmental agencies, housing and small business organizations, and nonprofit organizations. We also reviewed U.S. Department of Housing and Urban Development (HUD) Consolidated Strategies and Plans. The predominant

needs identified through the foregoing process were affordable housing and small business loans.

CONCLUSIONS FOR CRA PERFORMANCE IN GEORGIA

Based upon our detailed review of the Atlanta MSA and the non-MSA portions of the state, STB's performance in Georgia is considered satisfactory. A high level of community development loans (\$82 million) have been made in Georgia. This was a primary factor in the high satisfactory rating. STB's level of lending to low and moderate borrowers in the Atlanta MSA was very good and its lending in non-MSA areas of the state was good. For all loan types, the bank had an adequate penetration in low and moderate income areas,

STB has made a poor level of qualified investments given its financial condition, business strategy, and available opportunities within the State.

Delivery systems are reasonably accessible to areas and individuals of different income levels. STB provides a high level of community development services within the state of Georgia. The majority of the community development services were within the Atlanta MSA.

Detailed discussions and data for the Atlanta MSA and the eight non-MSA counties are included in the latter portions of this section of the evaluation. Conclusions and limited data are provided for all of STB's remaining assessment areas.

Atlanta Metropolitan Statistical Area - MSA 0520

Conclusion for Performance Tests in MSA 0520

STB's performance in the Lending, Investment, and Service tests within the Atlanta MSA was satisfactory. The bank's level of community development loans was high. Responsiveness to credit needs, particularly to low and moderate income residents, is good. The bank also has an adequate distribution of loans to low and moderate income geographies. STB's delivery systems were accessible to areas and individuals of different income levels. However, the bank's level of qualified investments is poor given its financial condition, business strategy, and available opportunities.

Description of Institution's Operations in MSA 0520

As of June 30, 1996, STB had \$2.8 billion in deposits in the Atlanta MSA and was the 5th largest financial institution in the MSA based on a deposit market share ⁵of 6.7%. STB operates 84 branch offices in thirteen counties. Major deposit taking competitors include Wachovia, Nationsbank, SunTrust Bank, and First Union.

Description of MSA 0520

The Atlanta MSA consists of twenty counties. The city of Atlanta, located in Fulton County, is the state's capital and the major center of industry and trade for the southern part of the United States. The economy experienced significant growth in preparation for the 1996 Summer Olympic Games and many redevelopment projects have transpired within the city in the area known as the "Olympic Neighborhood Impact Areas." The number of non farm businesses and farm businesses was approximately 88,000 and 1,300, respectively. Services (40%), finance (19%), wholesale trade (10%), and manufacturing (9%) represent 78% of the number of businesses within the Atlanta MSA. As of 1997, the MSA median family income was \$53,100, with 10% of the households living below the poverty level. Forty-two percent of households residing in low income geographies live below the poverty level. The following two tables provide additional demographic data. The first table details the distribution of census tracts, families, households, and population by geography income designation. The second table details housing stock demographic data.

⁵ Source: Herfindahl - Hirschmann index

Assessment Area Demographic Data Distribution by Census Tract Income Level Atlanta MSA												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	61	12%	118	23%	192	38%	128	26%	5	1%	504	100%
Families (000's)	41	5%	153	20%	352	45%	238	30%	0	0%	784	100%
Population (000's)	182	6%	600	20%	1,318	45%	860	29%	0	0%	2,960	100%

Source: 1990 Census Data

Housing Stock Demographics Atlanta MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total # of Units	% Multifamily Units
Low Income	76,029	26%	57%	17%	100%	11%
Moderate Income	247,330	47%	42%	11%	100%	21%
Middle Income	553,251	56%	34%	10%	100%	46%
Upper Income	347,747	70%	22%	8%	100%	22%
Total	1,224,367					100%

Source: 1990 Census Data

The predominant credit and non credit related needs were identified as the following.

- Affordable housing (single family rental, multifamily rental, and rehabilitation) for low income individuals. Multifamily public housing is especially needed as evidenced by a backlog of applicants waiting for public housing in the Atlanta MSA.
- Small business loans. According to community contacts, loans between \$10,000 and \$75,000 and “micro” small business loans (amounts of \$5,000 or less) are especially needed for newly established or proposed businesses. Insufficient collateral was noted as a primary reason why small business owners do not qualify for a loan.
- Education pertaining to financial services such as home buying seminars, credit counseling, and small business counseling.

Opportunities for qualified investments do exist within the Atlanta MSA. These opportunities include nonprofit housing organizations, credit counseling agencies, small business development centers, and community development corporations. Additionally, according to a community

contact, several affordable mortgage bonds were issued in the Atlanta MSA in 1996 and 1997.

LENDING TEST

The following two tables detail STB's market share and ranking for 1996 HMDA loans. The first table shows market share and ranking by geography income level. As shown in the table, STB's market share in low and moderate income geographies is less than their market share for all income geographies. Overall, the bank's level of performance is adequate.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Atlanta MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	2,448	2.1%	12	21	1.2%	21	231	1.7%	7
Home Improvement	563	5.5%	4	16	4.7%	4	61	3.3%	8
Total	3,011			37			292		

Source: FFIEC 1996 HMDA data

The following table shows that STB had a strong level of lending to both low and moderate income borrowers. The bank's lending to these individuals exceeded the overall market for home purchase - refinance loans. The bank's lending to low and moderate income individuals did not exceed the market for home improvement loans. However, the bank's performance is still considered good, since home purchase - refinance loans comprise 80% of all HMDA loans.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Atlanta MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	2,448	2.1%	12	258	2.5%	8	654	2.6%	9
Home Improvement	563	5.5%	4	83	5.2%	3	88	3.8%	6
Total	3,011			341			742		

Source: FFIEC 1996 HMDA data

Geographic Distribution of Loans

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small

business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows an adequate level of lending to LMI geographies in relation to the percentage of owner occupied housing units in these areas. In 1996, 1% of HMDA loans were made in low income geographies and 10% in moderate income geographies. STB's performance is slightly worse than the aggregate market's distribution of HMDA loans in low (2%) and moderate (12%) income geographies.

Distribution of HMDA Loans by Census Tract Income Designation Atlanta MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	3%	39	1%	4,816	1%	14	1%	317	nil
Moderate Income	17%	293	10%	17,506	5%	110	10%	5,881	5%
Middle Income	45%	1,448	48%	147,691	44%	584	51%	65,639	56%
Upper Income	35%	1,252	41%	167,983	50%	441	38%	45,032	39%
N.A.'s	0%	1	nil	1,100	nil	0	0%	0	0%
Total	100%	3,033	100%	339,096	100%	1,149	100%	116,869	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data - U.S. Bureau of the Census

The following table compares the level of consumer lending to the proportionate number of families residing in geographies. In 1996, 1% of consumer loans were made in low income geographies and 11% in moderate income geographies. The bank's penetration is considered adequate given the percentage of families residing in low and moderate income geographies.

Geographic Distribution of Consumer Loans Atlanta MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	5%	26	1%	308	1%	26	1%	204	2%
Moderate Income	20%	219	11%	2,291	7%	248	11%	798	6%
Middle Income	45%	889	45%	12,137	34%	1,052	45%	5,218	44%
Upper Income	30%	852	43%	20,552	58%	1,012	43%	5,712	48%
Total	100%	1,986	100%	35,288	100%	2,338	100%	11,932	100%

Source: Consumer Loan Data Register and 1990 Census Data - U.S. Bureau of the Census

The following table shows that in 1996, 5% and 10% of STB's loans were originated in low and moderate income geographies, respectively. The penetration is considered good for low income geographies when compared to the percentage of businesses and farms located in these geographies. STB's level of lending in moderate income geographies is considered adequate. The bank's level of lending approximates the aggregate market which made 4% and 15% of such loans in low and moderate income tracts, respectively.

Geographic Distribution of Small Business and Farm Loans Atlanta MSA					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	5%	5%	4%	3%	7%
Moderate Income	17%	10%	11%	11%	11%
Middle Income	42%	45%	42%	38%	36%
Upper Income	36%	40%	43%	48%	46%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that the bank has an excellent record of lending to moderate income borrowers. Lending to low income borrowers is good since it exceeds the aggregate market's distribution of loans. The aggregate market's distribution of HMDA loans to low and moderate income borrowers was 9% and 21%, respectively.

Distribution of HMDA Loans by Borrower Income Level Atlanta MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	19%	342	11%	115	10%
Moderate Income	18%	746	25%	298	26%
Middle Income	24%	790	26%	330	29%
Upper Income	39%	1,114	37%	396	34%
Not Available	0%	41	1%	10	1%
Total	100%	3,033	100%	1,149	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data - U.S. Bureau of the Census

The following table shows that the bank had a good record of lending to moderate income borrowers and an adequate level to low income borrowers. In 1997, a smaller percentage of loans were made to low and moderate income borrowers than in 1996. While 1997 performance is lower than 1996, it is still considered reasonable. Overall, STB has a satisfactory record of lending to LMI borrowers.

Distribution of Consumer Loans by Borrower Income Level Atlanta MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	19%	300	15%	218	9%
Moderate Income	18%	413	21%	316	13%
Middle Income	24%	454	23%	320	14%
Upper Income	39%	654	33%	1,160	50%
Not Available	---	165	8%	324	14%
Total	100%	1,986	100%	2,338	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. The table below indicates a majority of the loans granted were for amounts of less than \$100,000. The bank's level of lending compares to the aggregate market which made 90% less than \$100,000, 5% between \$100,000 and \$250,000 and 5% more than \$250,000.

Distribution of Small Business and Farms Loans by Loan Size Atlanta MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	952	69%	34,257	19%	121	62%	4,653	15%
Between \$100,000 and \$250,000	203	15%	35,796	19%	40	20%	6,824	23%
Greater than \$250,000	223	16%	113,932	62%	36	18%	18,705	62%
Total	1,378	100%	183,985	100%	197	100%	30,182	100%

Source: Small Business Data Collection Register

Additionally, in 1996, approximately 52% of small business and farm loans were made to entities with gross revenues of less than \$1 million. This indicates STB is meeting the credit need of providing loans to small businesses and farms. This compares favorably to the aggregate market

which granted 46% of such loans in 1996 to firms with annual revenues less than \$1 million.

Community Development Loans

In the Atlanta MSA, a primary community development lending need was identified as affordable housing for low income individuals. STB has originated a relatively high level of multifamily housing loans, for rental units that are affordable to LMI individuals.

- STB has originated eighteen multifamily housing loans totaling \$82 million dollars. Approximately 3,300 of the 4,100 total units are affordable for even low income families

Flexible Lending Products

STB has originated 502 (\$45,793,000) Right Start Mortgage loans within the Atlanta MSA. Three hundred and thirteen of these loans were made to low (59) and moderate (254) income individuals for a total of \$26,327,000. Fifty-seven loans were made in low (1) and moderate (56) income geographies.

INVESTMENT TEST

STB has a poor level of qualified investments given its financial condition, business strategy, and available opportunities within the Atlanta MSA. The bank's qualified investments consisted solely of donations and totaled \$128,578. None of the investments, summarized below, were considered innovative or complex.

- \$78,470 was donated to the United Way with proceeds used to provide job training for low income women.
- \$20,923 was donated to 15 organizations primarily providing community services to low and moderate income individuals residing in Dekalb and Fulton counties. Community services consisted of programs for education, mentoring, combating drugs, and after school care.
- \$3,000 was donated to housing and consumer credit counseling agencies primarily serving low and moderate income individuals residing in Dekalb and Fulton counties.
- \$3,685 was donated to six nonprofit organizations primarily providing shelter for the homeless and needy families.
- \$2,500 was donated to Reynoldstown Revitalization Corporation, a nonprofit organization formed to rehabilitate homes for low and moderate income individuals.
- \$20,000 was donated to the Dekalb Business Incubator. This organization contains low and moderate income business leaders. The purpose of this organization is to foster economic development in depressed areas of Dekalb County

SERVICE TEST

STB's delivery systems are reasonably accessible to areas and individuals of different income levels. The bank currently operates 84 branches within the Atlanta MSA. Branch hours are reasonable and do not significantly vary among branch locations. Saturday banking is available at selected locations. The majority of STB's 27 ATMs, not located at a branch, are located in middle and upper income geographies. STB makes limited use of its alternative delivery system (i.e., loan by phone) to originate loans. Fourteen loans were originated within the Atlanta MSA, four of which were made to low (1) and moderate (3) income individuals.

The following table shows that STB has a good distribution of branches in low income geographies and a reasonable distribution in moderate income geographies when compared to the percentage of families residing in these geographies.

Distribution of Branch Offices and ATM's Atlanta MSA								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	61	12%	41	5%	4	5%	3	11%
Moderate Income	118	23%	153	20%	12	14%	4	15%
Middle Income	192	38%	352	45%	35	42%	7	26%
Upper Income	128	26%	238	30%	33	39%	13	48%
N.A.'s	5	1%	0	0%	0	0%	0	0%
Total	504	100%	784	100%	84	100%	27	100%

Source: 1990 Census Data and bank provided information

STB's record of closing branch offices has not significantly affected the accessibility of its services to low or moderate income individuals or geographies. Since January 1, 1996, the bank has closed eight branch offices in low (1), moderate (1), middle (1), and upper (5) income geographies. The branch closings in the low and moderate income geographies were in Cobb and Clayton counties. The nine branch openings were all located in middle or upper income geographies in Cherokee, Fulton, and Gwinnett counties.

Community Development Services

STB provides a high level of community development services within the Atlanta MSA. The bank's community development services have primarily been related to providing affordable housing and conducting home buyer, small business, and general education seminars. Examples of these services are detailed below.

- Application for Affordable Housing Grant Money: On behalf of third parties, STB has applied for and received grant money from the Federal Home Loan Bank Board's (FHLBB) Affordable Housing Program (AHP). Proceeds were used to provide affordable housing for low and moderate income individuals.
- Home Buyer Education Seminars: STB representatives have conducted 28 seminars that focus on the application process for obtaining a home loan.
- "RightStart" Consumer Education Seminars: STB representatives have conducted 34 seminars. These seminars teach participants how to balance their checkbook, apply for credit, and prepare a budget. The typical participant has difficulty obtaining a checking account or other bank service because of past deposit or credit problems. All seminar graduates are allowed to obtain an STB checking account.
- Small Business Lending Seminar: An STB representative has conducted one seminar. The seminar discussed many important topics dealing with starting a new business, including developing a business plan and obtaining financing.
- South Dekalb Business Incubator (SDBI): SDBI is a nonprofit organization. Its mission is to assist low and moderate income individuals in starting service and light manufacturing small businesses in south Dekalb County. SDBI provides guidance in developing business plans, cash flow projections, and market research. An STB representative assists SDBI in developing policies and procedures and soliciting monetary donations.
- Individual Development Accounts (IDA) : IDAs are savings accounts offered to low and moderate income individuals to provide an opportunity to "build assets" through new savings that are matched by third party investors. Upon completion of an economic literacy program, participants receive \$250 that is deposited into a savings account. On a quarterly basis, participants' savings are matched on a 4:1 ratio by community investors over a 24-month time period. IDA funds may only be used for home ownership purposes.

Non MSA Assessment Areas of Georgia

Conclusions for Performance Tests in Non MSA Assessment Areas of Georgia

The bank has been responsive to the credit needs of low and moderate income individuals. Geographic distribution of HMDA loans is good. However, STB's geographic distribution of consumer loans is adequate and small business and small farm loans is poor. The bank's level of community development loans and qualified investments are poor given its financial condition and available opportunities.

Description of Bank's Operations in Non MSA Assessment Areas of Georgia

STB operates nine branches in eight non MSA counties consisting of Ben Hill, Coffee, Haralson, Jackson, Laurens, Murray, Telfair, and Washington counties. Competition in these counties is considered moderate.

Description of Non MSA Assessment Areas

The number of non-farm businesses and farm businesses are approximately 3,800 and 100, respectively. Services (32%), retail trade (30%), and construction (8%) represents 70% of the number of businesses within this eight-county area.

As of 1997, the statewide non MSA median family income was \$33,600, with 19% of the households living below the poverty level. Fifty-five percent of the households residing in the one low income geography live below the poverty level. The median housing value is \$46,519 with a median year built of 1973. The following two tables provide additional demographic data for the non MSA areas of Georgia.

Assessment Area Demographic Data Distribution by Census Tract Income Level Non MSA Areas of Georgia												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	1	2%	7	12%	39	66%	5	8%	7	12%	59	100%
Families (000's)	1	1%	4	7%	43	81%	5	11%	0	0%	53	100%
Population (000's)	3	1%	15	8%	155	80%	21	11%	0	0%	194	100%

Source: 1990 Census Data

Housing Stock Demographics Non MSA Areas of Georgia						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total # of Units	% Multifamily Units
Low Income	1,172	38%	52%	10%	100%	5%
Moderate Income	6,318	58%	28%	14%	100%	8%
Middle Income	62,605	66%	24%	10%	100%	83%
Upper Income	8,104	72%	20%	8%	100%	4%
Total	78,199					100%

Source: Source: 1990 Census Data

From the analysis of community contact information and other available data, the predominant credit and non credit related needs were identified as the following.

- “Micro” small business loans for newly established or proposed businesses with amounts of less than \$10,000.
- Affordable housing (mobile homes and multifamily rental) for low income individuals.
- Education pertaining to financial services such as home buying seminars, credit counseling, and small business counseling.

LENDING TEST

Geographic Distribution of Loans

STB’s geographic distribution of HMDA loans was good; however, consumer penetration was adequate and small business - farm loan penetration throughout the non MSA counties was poor. There were no conspicuous gaps in the bank’s lending patterns. The following table shows an adequate level of HMDA lending to LMI geographies. In 1996 and 1997, STB made one HMDA loan in the one low income geography. The near absence of HMDA lending in this geography is reasonable given that 55% of household residing in this area live below the poverty level. This high poverty rate and a medium income of \$11,655 would severely hamper an individual’s ability to qualify for a home loan. The bank’s level of lending to moderate income geographies is adequate given the percentage of owner occupied housing units in these areas. The bank’s level of lending approximates the 1996 aggregate market which made 1.6% and 5% of HMDA loans in low and moderate income tracts, respectively.

Distribution of HMDA Loans by Census Tract Income Designation Non MSA Areas of Georgia									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	1%	0	0%	0	0%	1	1%	20	nil
Moderate Income	7%	8	5%	211	4%	5	4%	131	3%
Middle Income	81%	154	87%	5,093	90%	109	86%	4,276	89%
Upper Income	11%	15	8%	376	6%	11	9%	405	8%
N.A.'s	0%	0	0	0	0	0	0%	0	0%
Total	100%	177	100%	5,680	100%	126	100%	4,832	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data - U.S. Bureau of the Census

The following table shows that the level of consumer lending to families residing in low income tracts is adequate given the high poverty rate and the low percentage of families residing in these tracts. STB's penetration of consumer loans in moderate income tracts is poor given the percentage of families residing in these geographies. Overall, STB's penetration is adequate.

Geographic Distribution of Consumer Loans Non MSA Areas of Georgia									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	1%	0	0%	0	0%	1	1%	10	1%
Moderate Income	7%	3	1%	8	nil	4	3%	9	nil
Middle Income	81%	193	95%	1,938	95%	124	86%	1,578	79%
Upper Income	11%	8	4%	103	5%	15	10%	395	20%
Total	100%	204	100%	2,049	100%	144	100%	1,992	100%

Source: Consumer Loan Data Register and 1990 Census Data

The following table shows that STB's penetration of small business and farm loans in low and moderate geographies is poor. STB made no small business or farm loans in these geographies. The bank's level of lending also compares poorly with the 1996 aggregate market which made 1% and 3% of such loans in low and moderate income tracts, respectively.

Geographic Distribution of Small Business and Farm Loans 1996 and YTD 1997 Non MSA Areas of Georgia					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	4%	0%	0%	0%	0%
Moderate Income	8%	0%	0%	0%	0%
Middle Income	77%	94%	87%	100%	100%
Upper Income	11%	6%	13%	0%	0%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection

Loan Distribution by Borrower Income

The following table shows a very good distribution when compared to the percentage of moderate income families. Lending to low income borrowers, while lower, is at an adequate level, when you consider 19% of the households are below the poverty level. STB performance approximates the aggregate market's distribution of HMDA loans to low (10%) and moderate (24%) income borrowers. Overall, STB's lending to LMI borrowers is good.

Distribution of HMDA Loans by Borrower Income Level Non MSA Areas of Georgia					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	22%	17	10%	15	12%
Moderate Income	18%	40	22%	25	20%
Middle Income	21%	53	30%	38	30%
Upper Income	39%	64	36%	46	36%
Not Available	--	3	2%	2	2%
Total	100%	177	100%	126	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table shows that the bank had a very good record of lending, in 1996, to low and moderate income borrowers when compared to the percentage of low and moderate families within the assessment areas. However, in 1997, a significant decrease occurred in the percentage of loans to low income borrowers. Overall, STB's record of consumer lending by borrower

income level is satisfactory.

Distribution of Consumer Loans by Borrower Income Level Non MSA Areas of Georgia					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	22%	41	20%	5	4%
Moderate Income	18%	39	19%	29	20%
Middle Income	21%	40	20%	47	33%
Upper Income	39%	76	37%	48	33%
Not Available	--	8	4%	15	10%
Total	100%	204	100%	144	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. The below table indicates a majority of the loans made in 1996 and 1997 were for amounts of less than \$100,000. In 1996, the average loan size was approximately \$74,000. The bank's level of lending approximates the 1996 aggregate market which made 89% less than \$100,000, 6% between \$100,000 and \$250,000 and 5% more than \$250,000.

Distribution of Small Business and Farm Loans by Loan Size Non MSA Areas of Georgia								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	26	86%	845	38%	1	50%	88	27%
Between \$100,000 and \$250,000	2	7%	298	13%	1	50%	238	73%
Greater than \$250,000	2	7%	1,085	49%	0	0%	0	0%
Total	30	100%	2,228	100%	2	100%	326	100%

Source: Small Business Data Collection Register

Additionally, in 1996, approximately 75% of small business - farm loans were made to entities that had gross revenues of less than \$1 million. This compares favorably to the 1996 aggregate market which granted 66% of loans to firms with annual revenues less than \$1 million. This indicates STB is providing very small business loans to small businesses and farms, which meets one of the identified needs in the assessment areas.

Community Development Loans

STB has not made any community development loans in the non MSA assessment areas in the state of Georgia.

Flexible Lending Products

STB has not originated any Right Start Mortgage loans within the non MSA assessment areas in the state of Georgia.

INVESTMENT TEST

STB has made a poor level of qualified investments. The bank's qualified investments consisted of donations totaling \$330.

SERVICE TEST

STB's delivery systems were reasonably accessible to all areas and individuals of different income levels. Branch hours are reasonable and do not significantly vary among branch locations. Saturday banking is available at selected locations. None of the bank's 9 branch offices are located in low or moderate income geographies. However, seven of the eight low and moderate geographies are adjacent to other geographies that do have branch offices. It appears the lack of branch offices in low and moderate income geographies has hampered STB's ability to meet the credit needs of individuals' residing in the area. Loan data contained in previous tables indicates STB has a poor level of consumer and business lending to individuals residing in low and moderate income geographies.

Distribution of Branch Offices and ATM's Non MSA Areas of Georgia								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	1	2%	1	1%	0	0%	0	0%
Moderate Income	7	12%	4	7%	0	0%	0	0%
Middle Income	39	66%	43	81%	8	89%	0	0%
Upper Income	5	8%	5	11%	1	11%	0	0%
N.A.'s	7	12%	0	0%	0	0%	0	0%
Total	59	100%	53	100%	9	100%	0	0%

Source: 1990 Census Data and bank provided information

STB has not closed or opened any branch offices since January 1, 1996.

Community Development Services

STB provides a low level of community development services within its non MSA assessment areas. STB has not provided any community development services in Coffee, Laurens, Murray, Telfair, and Washington counties. Community development services in the other three counties have been limited to the following.

- STB has conducted one Home Buyer Education Seminar and one RightStart Consumer Education Seminar in Ben Hill County.
- Branch managers have also mentored low and moderate income students at two local public schools located in Haralson and Jackson counties.

ADDITIONAL METROPOLITAN AREAS

Lending Conclusions

STB's lending performance in Chattanooga is consistent with STB's high satisfactory lending performance in the state.

STB's lending performance in Augusta is worse than STB's high satisfactory lending performance in the state; however, it does not change the rating for the state.

These conclusions are based on the facts and data presented in the following two charts.

State of Georgia MSA's Lending by LMI Geography and LMI Borrowers									
MSA	LMI Tract						LMI Borrower		
	% Owner Occp'd.	% 1996 HMDA Loans	% Families	% 1996 Cons. Loans	% of Businesses	% Small Biz & Farm Loans	% Families	% 1996 HMDA Loans	% 1996 Cons. Loans
Augusta	22	10	25	9	37	36	39	30	38
Chattanooga	22	30	23	24	32	41	42	38	46

State of Georgia MSA's % of Small Business and Farm Loans by Loan Size and % of Loans to Firms With Annual Revenues < \$1,000,000					
MSA	Loan Size				% Loans to Firms with Annual Revenues < \$1,000,000
	<\$100,000	\$100,000-\$250,000	>\$250,000	Total	
Augusta	86	8	6	100	80
Chattanooga	100	0	0	100	100

Investment Conclusions

STB's investment performance in Augusta and Chattanooga is consistent with STB's Needs to Improve investment performance in the state. These conclusions are based on the facts and data presented in the following chart.

State of Georgia MSA's Investments	
MSA	
Augusta	\$525
Chattanooga	100

Service Conclusions

STB's service performance in Augusta and Chattanooga is consistent with STB's high satisfactory service performance in the state. These conclusions are based on the facts and data in the following chart.

State of Georgia MSA's Branch and ATM Locations			
	% Families in LMI Tracts	% Branches in LMI Tracts	% Off-site ATM's in LMI Tracts
Augusta	25	27	0
Chattanooga	23	50	NA

Multistate MSA Rating

CRA Rating for Columbus, GA/Phenix City, AL Multistate MSA: Satisfactory

The Lending Test is Rated:	<u>Low Satisfactory</u>
The Investment Test is Rated:	<u>Low Satisfactory</u>
The Service Test is Rated:	<u>High Satisfactory</u>

DESCRIPTION OF BANK’S OPERATIONS IN THE MULTISTATE MSA

As of June 30, 1996, STB had \$162 million in deposits in the Columbus/Phenix City MSA and was the 5th largest financial institution in the MSA based on a deposit market share⁶ of 6.3%. STB operates eight branch offices in Muscogee County, GA and Russell County, AL. Major deposit taking competitors include First Union , SunTrust Bank, Barnett Bank, and Columbus Bank and Trust.

Area Description

The Columbus/ Phenix City MSA consists of Chattahoochee, Harris, and Muscogee counties located in Georgia and Russell County in Alabama. Columbus, Georgia is located approximately 100 miles southwest of Atlanta, Georgia. The number of non-farm businesses and farm businesses was approximately 1,600 and 50, respectively. The Fort Benning army post is a major employer in the area. As of 1997, the HUD updated MSA median family income was \$35,500. Eighteen percent of households in the Columbus/Phenix MSA live below the poverty level. Fifty-five percent of households residing in low income geographies live below the poverty level. The following two tables provide additional demographic data for this MSA.

Assessment Area Demographic Data Distribution by Census Tract Income Level Columbus, GA. - Phenix City, AL. MSA												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	11	15%	17	23%	26	36%	17	23%	2	3%	73	100%
Families (000's)	6	9%	13	19%	28	41%	21	31%	0	0%	68	100%
Population (000's)	25	10%	54	21%	110	42%	72	27%	0	0%	261	100%

Source: 1990 Census Data

⁶ Source: Herfindahl - Hirschmann index

Housing Stock Demographics Columbus, GA. - Phenix City, AL. MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total # of Units	% Multifamily Units
Low Income	11,015	18%	70%	12%	100%	26%
Moderate Income	20,311	38%	51%	11%	100%	21%
Middle Income	40,315	58%	34%	8%	100%	23%
Upper Income	29,816	66%	28%	6%	100%	30%
Total	101,457					100%

Source: 1990 Census Data

From the analysis of community contact information and other available data, the predominant credit and non credit related needs were identified as the following.

- Affordable housing (single family rental and multifamily rental) for low income individuals. Additionally, shelters are needed for neglected or homeless children and for abused women. Existing shelters in Columbus, Ga are above capacity and individuals are frequently diverted to shelters in Phenix City, AL.
- Small business loans for newly established or proposed businesses.

CONCLUSIONS FOR PERFORMANCE TESTS IN THE COLUMBUS/PHENIX CITY MULTISTATE MSA

STB has a satisfactory record of serving the credit needs of economically disadvantaged areas and low and moderate income individuals. HMDA lending in low and moderate income tracts was very good while lending to low and moderate income borrowers was adequate. STB has a strong record of lending to small businesses and in amounts less than \$100,000. STB has an adequate level of investments and has an excellent distribution of branches in low and moderate income areas.

Lending Test

The following two tables detail STB's market share and ranking for 1996 HMDA loans. The first table shows STB had a very strong level of lending to both low and moderate income geographies on a market share basis. The bank's lending to these geographies exceeded their overall market share in all categories, except for home improvement loans in low income geographies.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Columbus, GA. - Phenix City, AL. MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	231	4.8%	6	6	5.4%	5	33	6.2%	4
Home Improvement	90	9.4%	3	3	8.1%	4	18	12.1%	3
Total	321			9			51		

Source: FFIEC 1996 HMDA data

The following table shows that STB had a good level of lending to low and moderate income individuals. The bank exceeded their overall market share for home purchase and refinance loans to moderate income borrowers and home improvement loan to low income borrowers.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Columbus, GA. - Phenix City, AL. MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	231	4.8%	6	10	3.3%	9	40	5.2%	4
Home Improvement	90	9.4%	3	11	10.0%	3	14	7.7%	4
Total	321			21			54		

Source: FFIEC 1996 HMDA data

Geographic Distribution of Loans

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows a very good level of HMDA lending to low and moderate income geographies in relation to the percentage of owner occupied housing units in these areas. The percentage of HMDA loans made in low and moderate income geographies exceeded the percentage of owner occupied housing units in these geographies, with the exception of low income geographies in 1996. STB's performance in 1996 matches the aggregate market's distribution in low (3%) and moderate (16%) geographies.

Distribution of HMDA Loans by Census Tract Income Designation Columbus, GA. - Phenix City, AL. MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	4%	9	3%	275	2%	9	5%	453	3%
Moderate Income	15%	51	16%	2,043	11%	39	22%	2,133	17%
Middle Income	44%	122	38%	5,840	32%	49	28%	2,759	22%
Upper Income	37%	141	43%	9,871	55%	81	45%	7,362	58%
N.A.'s	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	323	100%	18,029	100%	178	100%	12,707	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table shows that the bank's consumer lending is low given the percentage of families residing in low and moderate income geographies. In 1997, the bank significantly improved the level of lending to both low and moderate income tracts.

Geographic Distribution of Consumer Loans Columbus, GA. - Phenix City, AL. MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	9%	12	2%	481	2%	22	4%	513	4%
Moderate Income	19%	56	9%	740	3%	90	16%	2,390	19%
Middle Income	41%	208	33%	16,174	67%	215	39%	4,249	33%
Upper Income	31%	360	56%	6,670	28%	228	41%	5,624	44%
N.A.'s	--	0	0%	0	0%	2	nil	6	nil
Total	100%	636	100%	24,065	100%	557	100%	12,782	100%

Source: Consumer Loan Data Register and 1990 Census Data

The following table shows that the bank's level of small business and farm lending in low and moderate income geographies is low when compared to the percentage of businesses and farms located in low and moderate income geographies. However, the bank's level of lending is satisfactory when compared to the 1996 aggregate market's lending in low (1%) and moderate (18%) income tracts.

Geographic Distribution of Small Business and Farm Loans 1996 and YTD 1997 Columbus, GA. - Phenix City, AL. MSA					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	15%	4%	5%	6%	6%
Moderate Income	26%	17%	14%	14%	13%
Middle Income	27%	20%	17%	19%	20%
Upper Income	32%	59%	64%	61%	61%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection

Loan Distribution by Borrower Income

The following table compares STB's HMDA lending to borrowers of different income levels to the proportional number of families in each income level. As shown in the table, 6% and 17% of STB's HMDA loans were made to low and moderate income individuals. The distribution of loans to low income individuals is less than the percentage of low income families and is poor. The percentage of loans to moderate income individuals is comparable to the percentage of moderate income families and is adequate. Overall, STB performance is adequate and approximates the aggregate market's distribution of HMDA loans to low (7%) and moderate (17%) income borrowers.

Distribution of HMDA Loans by Borrower Income Level Columbus, GA. - Phenix City, AL. MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	22%	21	6%	10	6%
Moderate Income	18%	54	17%	24	13%
Middle Income	20%	76	23%	57	32%
Upper Income	40%	157	49%	82	46%
Not Available	0%	15	5%	5	3%
Total	100%	323	100%	178	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table compares STB's consumer lending to borrowers of different income levels to the proportional number of families in each income level. As shown in the table, in 1996, STB's record of consumer lending to low and moderate income individual was poor. In 1997, the level of consumer lending to this group of individuals significantly increased and is at a reasonable level when compared to the percentage of low and moderate income families. Overall, STB's performance is adequate.

Distribution of Consumer Loans by Borrower Income Level Columbus, GA. - Phenix City, AL. MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	22%	22	3%	61	11%
Moderate Income	18%	29	5%	112	20%
Middle Income	20%	35	5%	134	24%
Upper Income	40%	443	70%	223	40%
Not Available	0%	107	17%	27	5%
Total	100%	636	100%	557	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. The below table indicates a majority of the loans granted were for amounts of less than \$100,000. The bank's level of lending approximates the 1996 aggregate market which made 82% less than \$100,000, 9% between \$100,000 and \$250,000 and 9% more than \$250,000.

Distribution of Small Business and Farms Loans by Loan Size Columbus, GA. - Phenix City, AL. MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	612	79%	21,114	34%	189	72%	6,624	26%
Between \$100,000 and \$250,000	109	14%	16,737	27%	47	18%	7,219	29%
Greater than \$250,000	51	7%	23,947	39%	25	10%	11,274	45%
Total	772	100%	61,798	100%	261	100%	25,117	100%

Source: Small Business Data Collection Register

Additionally, in 1996, approximately 93% of small business and farm loans were made to entities that had gross revenues of less than \$1 million. This compares very favorably with the aggregate market which granted 68% of loans in 1996 to firms with annual revenues less than \$1 million. This indicates STB is providing very small loans to small businesses and farms, which meets one

of the identified credit needs in the assessment area.

Community Development Loans

STB has not made any community development loans in the Columbus/Phenix City MSA.

Flexible Lending Products

STB makes limited use of flexible lending programs to meet identified credit needs for low and moderate income individuals. The bank has originated eight RightStart Mortgage loans. Only one of the eight loans was to a low or moderate income individual.

INVESTMENT TEST

STB has made an adequate level of qualified investments given its size in relationship to other financial institutions in the MSA and opportunities in the area. None of the investments, summarized below, were considered innovative or complex.

- In 1978, the bank purchased a \$1,065,000 Phenix City Housing Corporation Revenue Bond. Proceeds were used to provide permanent financing for a fifty -unit, rent subsidized, housing project for low income individuals. The outstanding balance of the bond is \$745,750. This bond issue continues to meet an identified need of providing multifamily housing for low income individuals.
- Approximately \$3,000 was donated to various organization that provide community development services to low and moderate income individuals.

SERVICE TEST

STB's delivery systems were readily accessible to geographies and individuals of different income levels. The bank currently operates eight branches within the MSA. Branch hours are reasonable and do not significantly vary among branch locations. Saturday banking is available at selected locations. STB's three ATMs, not located at a branch, are located in middle (2) and upper (1) income geographies. STB makes limited use of its alternative delivery system (i.e., loan by phone) to originate loans. Four loans were originated within the MSA, none of which were made to low and moderate income individuals.

The following table reflects that STB has an excellent distribution of branches between low and moderate income geographies when compared to the percentage of families residing in these areas. This is particularly true in the moderate income geographies where the bank has more than twice as many branches in proportion to the percentage of families residing in these tracts.

Distribution of Branch Offices and ATM's Columbus, GA. - Phenix City, AL. MSA								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	11	15%	6	9%	1	13%	0	0%
Moderate Income	17	23%	13	19%	4	50%	0	0%
Middle Income	26	36%	28	41%	0	0%	2	67%
Upper Income	17	23%	21	31%	3	37%	1	33%
N.A.'s	2	3%	0	0%	0	0%	0	0
Total	73	100%	68	100%	8	100%	100%	100%

Source: 1990 Census Data and bank provided information

Since January 1, 1996, the bank has not closed or opened any branch offices.

Community Development Services

STB has not provided any community development services in this MSA.

State Rating - Mississippi

CRA RATING FOR MISSISSIPPI: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Needs to Improve

The service test is rated: Low Satisfactory

DESCRIPTION OF THE BANK'S OPERATION IN MISSISSIPPI

Area Description

The bank has designated one assessment area in the State of Mississippi which contains two (Jackson and Harrison) of the three counties in the Biloxi MSA. The bank entered the Biloxi market in September 1994 with the purchase of the First Jefferson Corporation. In May 1995, the bank purchased the CNB Capital Corporation. The bank operates seven full service branches and three freestanding ATM's in the assessment area. As of June 1996, STB had the eighth largest deposit market share, at 4.8%, in the Biloxi MSA. There is a total of twelve commercial banks and/or savings and loans in the Biloxi market. The two dominant banks are the Hancock Holding Company and the Peoples Financial Corporation with deposit market shares of 39% and 16% respectively.⁷

Scope

Because the bank's operations in Mississippi are limited to the Biloxi MSA, the State rating and the conclusions for the MSA are presented together. The following table shows some of the basic demographic data describing the population of the bank's assessment area.

Assessment Area Demographic Data Distribution by Census Tract Income Level Biloxi MSA												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	3	4	16	23	33	48	13	19	4	6	69	100
Families (000)	2	2	11	14	50	66	13	17	0	0	75	100
Population (000)	8	3	46	16	182	65	45	16	nil	0	281	100

Source: 1990 Census Data

⁷Source: Herfindahl-Hirschmann Index, June 1996

The 1997 HUD updated median family income for the Biloxi MSA is \$34,600 and there are no households below the poverty level. The housing stock in the area has a median value of \$54,534 and the median year built was 1969.

Housing Stock Demographics Biloxi MSA						
Tract Income Level	# of Units	% Owner Occupied	% Rental Units	% Vacant Units	TOTAL	% Multi-Family Units
Low Income	3,021	42	47	11	100	5
Moderate Income	16,799	49	38	13	100	13
Middle Income	74,696	59	29	12	100	69
Upper Income	18,839	68	21	11	100	13
NA	0	0	0	0	0	0
TOTAL	113,355					100

Source: 1990 Census Data

There is a total of 8,191 businesses operating in the MSA. Of those reporting revenues, 90% have sales below \$1 million. There are only 128 farms operating in the assessment area.

Community Contacts

We reviewed three existing community contact forms previously completed by representatives of either the OCC, Federal Reserve or FDIC. Types of organizations contacted included nonprofit organizations, governmental agencies and a small real estate firm. The U.S. Department of Housing and Urban Development Consolidated Plan for Biloxi was also reviewed in order to determine community credit needs and the availability of opportunities for the bank. The greatest needs include affordable housing, rehabilitation of the housing stock and small business lending.

CONCLUSIONS FOR CRA PERFORMANCE IN MISSISSIPPI

STB's overall performance in Mississippi is rated Satisfactory. This performance is due primarily to the bank's strong level of CD lending (\$2.4 million). The bank also had a reasonable distribution of loans to low and moderate income borrowers. STB's geographic distribution of lending to small businesses was satisfactory and a good percentage were made to businesses with revenues less than \$1 million. In addition, STB had a low level of investments consisting only of small donations. The bank's provision of community development services was strong and its branches were reasonably accessible.

LENDING TEST

As shown in the table, the bank has a good record of lending in low and moderate income tracts on a market share basis. The bank was particularly successful in granting home purchase/refinance loans in moderate income tracts and home improvement loans in low income tracts.

1996 Home Mortgage Loan Originations Market Share Within the Assessment Area by Income Level of the Census Tract Biloxi MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	444	5.1%	4	3	4.4%	5	46	6.4%	4
Home Improvement	74	2.6%	7	1	3.1%	5	6	1.7%	9
Total	518			4			52		

Source: FFIEC, 1996 HMDA data.

As shown in the following table, the bank also had good performance in lending to low and moderate income borrowers when compared to the aggregate market. The bank was particularly successful in granting home purchase/refinance loans to both low and moderate income borrowers. In both cases, the bank's market share of loans to those income groups was greater than their overall market share.

1996 Home Mortgage Loan Originations Market Share Within the Assessment Area by Income Level of the Borrower Biloxi MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	444	5.1%	4	21	6.2%	4	72	5.4%	4
Home Improvement	74	2.6%	7	4	1.0%	6	12	1.8%	6
Total	518			25			84		

Source: FFIEC, 1996 HMDA data.

Geographic Distribution of Loans

The bank has a reasonable geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows that the bank has an adequate distribution of HMDA loans in low and moderate income census tracts when compared to the level of owner occupied housing.

Overall, STB's performance was adequate. The bank's performance in 1996 matches the aggregate market lending for low (1%) and moderate (10%) income census tracts. Loan production in both low and moderate income tracts is down from 1996 to year-to-date 1997.

Distribution of HMDA Loans by Census Tract Income Designation Biloxi MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	3	4	1	246	1	1	nil	10	nil
Moderate Income	15	52	10	2,280	7	15	7	557	4
Middle Income	60	345	64	17,924	57	144	68	8,085	59
Upper Income	22	135	25	11,264	35	53	25	5,158	37
NA	0	0	0	0	0	0	0	0	0
Total	100	536	100	31,714	100	213	100	13,810	100

Source: 1990 Census Data and bank prepared HMDA Loan Application Register

The following table shows that the bank had an adequate level of consumer lending in low and moderate income census tracts, although year-to-date 1997 lending (particularly in low income tracts) was down from 1996 levels.

Geographic Distribution of Consumer Loans Biloxi MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	2	6	1	43	nil	1	nil	15	nil
Moderate Income	14	95	12	962	7	31	11	802	11
Middle Income	66	468	61	8,267	58	204	69	4,641	62
Upper Income	17	202	26	5,027	35	59	20	2,051	27
Not Available	0	0	0	0	0	0	0	0	0
Total	100	771	100	14,299	100	295	100	7,509	100

Source: 1990 Census Data and bank prepared Consumer Loan Data Collection Register

As shown in the following table, the bank had a satisfactory level of lending to businesses in low and moderate income census tracts particularly in 1996. The bank's level of lending compares favorably with the 1996 aggregate market which extended 9% of loans in low income tracts and 12% in moderate income tracts. The bank's performance in 1997, while down from 1996, is

adequate.

Geographic Distribution of Small Business and Small Farm Loans Biloxi MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	7	6	9	4	12
Moderate Income	17	17	13	11	18
Middle Income	63	59	61	70	58
Upper Income	13	18	17	15	12
NA	0	0	0	0	0
Total	100	100	100	100	100

Source: Dun & Bradstreet, Inc. demographic data and Bank prepared Small Business Data Collection Register

Loan Distributions by Borrower Income

The following table shows a satisfactory distribution of lending in 1996, with significant improvement in 1997. Lending to moderate income borrowers in 1997 is good at 19% when compared to the distribution of moderate income families at 17%. The bank's level of lending in 1996 was slightly lower than the aggregate market's level of lending to low (7%) and moderate (17%) income borrowers. STB's level of lending to low income borrowers is poor. Overall, STB's performance is satisfactory.

Distribution of HMDA Loans by Borrower Income Level Biloxi MSA									
Income Level	% of Families in Assessment Area	1996				1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	21	25	4	514	2	19	9	352	3
Moderate Income	17	84	15	2,275	7	40	19	1,040	7
Middle Income	22	111	21	4,470	14	38	18	1,668	12
Upper Income	40	304	57	23,423	74	89	42	9,395	68
Not Available	0	12	2	1,032	3	27	12	1,355	10
Total	100	536	100	31,714	100	213	100	13,810	100

Source: 1990 Census Data and bank prepared HMDA Loan Application Register

The following table shows that the bank had an adequate level of consumer lending in both 1996 and 1997. The bank's lending was well below the percentage of low income families and was considered poor. However, lending to moderate income borrowers was good as STB's percentage of loans to moderate income borrowers equaled the percentage of moderate income families in the market. Overall, STB's performance was adequate.

Distribution of Consumer Loans by Borrower Income Level Biloxi MSA					
Income Level	% of Families in Assessment Area	1996		Y-T-D 1997	
		#	%	#	%
Low Income	21	67	9	23	8
Moderate Income	17	132	17	40	14
Middle Income	22	166	21	66	22
Upper Income	40	362	47	152	51
Not Available	0	44	6	14	5
Total	100	771	100	295	100

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table shows that the majority of the bank's small business and small farm loans were less than \$100 thousand in both 1996 and 1997. In both years, more than 80% of loans to small businesses and small farms were less than \$250 thousand. This level of lending is lower than the aggregate market which made 94% less than \$100,000, 4% between \$100,000 and \$250,000 and 2% more than \$250,000.

Distribution of Small Business and Small Farm Loans by Loan Size Biloxi MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	133	76	4,277	27	42	64	1,568	21
Between \$100,000 and \$250,000	26	15	4,373	28	16	24	2,506	34
Greater than \$250,000	15	9	7,176	45	8	12	3,395	45
Total	174	100	15,826	100	66	100	7,469	100

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 70% and 45% of the small businesses and small farms to which the bank made loans had revenues less than \$1 million. The 1996 performance compares favorably to the aggregate market which granted 63% of loans in 1996 to firms with annual

revenues of less than \$1 million.

Community Development Loans

STB originated two multifamily housing loans totaling \$2,388 thousand during the evaluation period. The two developments provided 128 units all of which are affordable for low and moderate income families.

Flexible Lending Products

STB has not granted any loans under the proprietary RightStart loan program.

INVESTMENT TEST

STB has a poor level of qualified investments in the Biloxi area and their performance is considered Need to Improve. The bank has not made any qualified investments in the Biloxi area other than contributions totaling \$2,100 and \$1,200 in 1996 and 1997, respectively. The contributions were to several nonprofit organizations targeted to assisting small businesses.

SERVICE TEST

Overall, STB's service test in Mississippi is rated Low Satisfactory. The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area even though the bank does not have any branches located in low or moderate income census tracts. The bank has not closed any branches during the evaluation period. The bank did open one branch in a middle income tract, however, the branch is less than one mile from a low income tract. The bank's record of opening and closing branches has not adversely affected the accessibility of delivery systems. The bank provides a high level of community development services.

While the bank does not have any branches located in low or moderate income tracts, all of the low and moderate income tracts are located within five miles of one of the bank's branches. The great majority of the tracts are located within three miles of a branch. The bank's primary alternative delivery system for HMDA reportable loans, the mortgage loan-by-phone, generated three loans in 1996 and year-to-date 1997, none of which were to either LMI geographies or individuals.

Distribution of Branch Offices and ATM's Biloxi MSA								
Tract Income Designation	Census Tracts		Families (000)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	3	4	2	3	0	0	0	0
Moderate Income	16	23	11	14	0	0	0	0
Middle Income	33	48	50	66	6	86	3	100
Upper Income	13	19	13	17	1	14	0	0
NA	4	6	0	0	0	0	0	0
Total	69	100	75	100	7	100	3	100

Source: 1990 Census Data and Bank provided information.

Community Development Services

The bank has provided a high level of community development services to its community. During the evaluation period, the bank held or sponsored two home buyer seminars with 62 attendees, six small business workshops with 579 attendees, two student workshops with 22 attendees and one realtor association meeting (to promote the bank's affordable loan product) with 12 attendees. Also, the bank donated employee time and/or maintains a working relationship with the following organizations:

- Gulf South Economic Research Institute - provides economic and demographic data to small businesses. A bank officer sits on the managing Board. Bank officers also assisted in organizing an annual seminar and made a presentation.
- Gulf Coast Small Business Seminar - Good News - provides financial education to minority and small business owners. Several bank officers spoke at the seminar educating participants on loan products available and how to qualify for them.
- Greater Biloxi Economic Development Foundation - provides information and financial assistance to minority and small business owners. Bank officer sits on the Board of the Foundations revolving loan fund, providing expertise in lending decisions.
- Southern Mississippi Planning and Development District - provides assistance to minority and small business owners. Bank officer acts in a consultant role.
- Salvation Army - provides services to low income individuals. Bank officer provides advice to the finance committee and for fund raising efforts.
- Boys and Girls Club of the Gulf Coast - provides education, assistance and activities to low and moderate income children. Bank officer is a Board member of the Finance Committee.
- Small Business Development Center - provides special assistance and programs to minority and small businesses. Bank officer acts in an advisory capacity to the Center for special projects including fund-raisers,

- Mississippi Contract Procurement Center - provides education to minority and small business owners on obtaining government contracts. Bank officers hosted and spoke at three separate events including providing informational brochures.
- Keesler Air Force Base Housing Summit - provided information as to the housing shortage to the military and low to moderate income households. Bank officers participated on a panel the focus of which was to determine the need and availability of low income housing.
- Mississippi Economic Development Symposium - provides information on economic conditions of Mississippi primarily targeted to new and small businesses. Bank officer made a presentation on products and sources of funding available.

State Rating - North Carolina

CRA Rating for North Carolina: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

DESCRIPTION OF THE BANK'S OPERATIONS IN NORTH CAROLINA

Area Description

STB's six assessment areas include all or portions of the Charlotte MSA, Raleigh - Durham MSA, Greensboro - Winston Salem MSA, and four non-MSA counties (Cleveland, Iredell, Rutherford, Transylvania counties) within the state of North Carolina. There is a total of twelve MSAs within North Carolina.

The bank's assessment areas include a total of 627 geographies (census tracts and block numbering areas). According to 1990 census information, 28 (4%) of the geographies are low income, 116 (19%) are moderate income, 332 (53%) are middle income, 141 (22%) are upper income, and 10 (2%) lack sufficient population to be assigned an income level. The population of the assessment areas was approximately 2.7 million. As a whole, the assessment areas include 42% of total North Carolina geographies, 42% of the state's population, and 50% and 41% of low and moderate income geographies, respectively. The assessment areas have approximately 765,000 families of which approximately 18% are low income, 18% are moderate income, 24% are middle income, and 40% are upper income. A total of 10% of the households in the state live below the poverty level.

Scope

We reviewed the bank's CRA performance in the Charlotte MSA and the four non-MSA counties in aggregate using full examination procedures. The Charlotte MSA contains 36% of the geographies within the bank's assessment areas and 55% of STB branches in North Carolina. For the remaining two MSAs (Raleigh and Greensboro) we did not perform full examination procedures. We reviewed limited data to determine if the bank's performance in the individual MSAs was consistent with its performance in the state overall.

Community Contacts

During the examination, we contacted three community organizations within the state of North Carolina. Types of organizations contacted included local governmental agencies, housing and

small business organizations, and non profit organizations. We also reviewed U.S. Department of Housing and Urban Development (HUD) Consolidated Strategies and Plans. The predominant needs identified through the foregoing process were affordable housing and small business loans.

CONCLUSIONS FOR CRA PERFORMANCE IN NORTH CAROLINA

Based upon our detailed review of Charlotte and the non-MSA portions of the state, STB's performance in North Carolina is considered satisfactory.

A relatively high level of community development loans (\$8.7 million) were made in North Carolina which was a primary factor in the lending rating. The geographic distribution of all loans reflects adequate penetration throughout the assessment areas. The conclusion is based upon the bank's HMDA, consumer, and small business and farm lending in North Carolina. The bank's distribution of loans was adequate for low income borrowers and good for moderate income borrowers. STB has made a poor level of qualified investments given its financial condition, business strategy, and available opportunities within the state. STB's delivery systems were reasonably accessible to geographies and individuals of different income levels.

Detailed discussions and data for the Charlotte MSA and the non-MSA counties are presented in the latter portions of this evaluation. Conclusions and limited data are provided for all STB's remaining assessment areas.

Charlotte Metropolitan Statistical Area - MSA 1520

Conclusions for Performance Tests in Charlotte MSA (1520)

STB's performance in meeting the credit needs within the Charlotte MSA is satisfactory. STB has a high level of community development loans and a poor level of qualified investments given its financial condition and available opportunities. The bank has an adequate distribution of loans to low and moderate income geographies and satisfactory HMDA lending to low and moderate income borrowers. Delivery systems were reasonably accessible to geographies and individuals of different income levels.

Description of Bank's Operations in MSA 1520

As of June 30, 1996, STB had \$377 million in deposits in the Charlotte MSA and was the 9th largest financial institution in the MSA, based on a deposit market share⁸ of 2.1%. STB operates eighteen branch offices in three counties. Major deposit taking competitors include First Union, NationsBank, and Wachovia.

Description of MSA 1520

The Charlotte MSA consists of six counties (Cabarrus, Gaston, Lincoln, Mecklenburg, Rowan, and Union Counties). The city of Charlotte, located in Mecklenburg County, has experienced rapid economic and population growth in recent years. The number of non-farm businesses and farm businesses was approximately 37,000 and 700, respectively. Services (39%), retail trade (19%), and construction (10%) represent 68% of the number of businesses within the Charlotte MSA. As of 1997, the MSA median family income was \$47,300, with 10% of the households living below the poverty level. Forty-two percent of households residing in low income geographies live below the poverty level. The following two tables provide additional demographic data for the Charlotte MSA.

⁸Source: Herfindahl - Hirschmann Index

Assessment Area Demographic Data Distribution by Census Tract Income Level Charlotte MSA												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	13	6%	50	22%	116	51%	42	19%	4	2%	225	100%
Families (000's)	8	3%	47	17%	165	58%	63	22%	0	0%	283	100%
Population (000's)	35	4%	179	17%	592	57%	225	22%	0	0%	1,031	100%

Source: 1990 Census Data

Housing Stock Demographics Charlotte MSA						
Tract Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total # of Units	% Multifamily Units
Low Income	13,527	18%	72%	10%	100%	6%
Moderate Income	74,310	49%	44%	7%	100%	16%
Middle Income	242,390	65%	29%	6%	100%	52%
Upper Income	92,248	71%	21%	8%	100%	26%
Total	422,475					100%

Source: 1990 Census Data

The predominant credit and non credit related needs were identified as the following.

- Affordable housing (i.e., single family rental, multifamily rental, and rehabilitation) for low income individuals. Presently there are approximately 5,000 families waiting for Section 8, HUD rental assisted housing and 2,900 families waiting for public housing.
- Small business loans. According to community contacts, loans for amounts of \$25,000 or less are especially needed for newly established or proposed businesses.
- Education pertaining to financial services such as home buying seminars, credit counseling, and small business counseling.

Opportunities for qualified investments do exist within the Charlotte MSA. These opportunities include community development corporations, non profit housing organizations, credit counseling agencies, and small business development agencies.

LENDING TEST

The following table shows that STB's market share in LMI geographies is less than their market share for all income geographies. The bank's level of performance is poor for low income

geographies and adequate for moderate income geographies.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Charlotte MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	714	1.8%	13	2	0.6%	31	57	1.6%	15
Home Improvement	104	2.8%	15	0	0%	0	15	2.7%	11
Total	818			2			72		

Source: FFIEC 1996 HMDA data

The following table shows STB had a good level of lending to low income individuals. The bank's lending to these individuals exceeded or equaled their level of lending to all borrowers. STB's level of lending to moderate income individuals is reasonable since it approximates their level of lending to all borrowers.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Charlotte MSA									
	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	714	1.8%	13	60	2.1%	13	124	1.5%	19
Home Improvement	104	2.8%	15	14	2.8%	12	18	2.1%	16
Total	818			74			142		

Source: FFIEC 1996 HMDA data

Geographic Distribution of Loans

STB's geographic distribution of HMDA, consumer, and small business and farm loans reflected low penetration in LMI tracts, but there were no conspicuous gaps in the penetration of geographies within the Charlotte MSA. The following table shows an adequate level of HMDA lending to moderate income geographies in relation to the percentage of owner occupied housing units in these areas. The bank's lending to low income geographies was low in 1996, but has improved slightly in 1997. At the same time STB's lending to moderate income geographies declined from 1996 to 1997. STB's performance approximates the aggregate market's distribution of HMDA loans in low (1%) income geographies, but lags behind in moderate (10%) income geographies and is considered weak in the latter category.

Distribution of HMDA Loans by Census Tract Income Designation Charlotte MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	1%	3	nil	1,485	2%	2	1%	121	nil
Moderate Income	14%	72	9%	3,463	4%	25	6%	1,615	3%
Middle Income	60%	454	55%	39,695	46%	265	60%	27,461	54%
Upper Income	25%	294	36%	40,811	48%	146	33%	22,172	43%
N.A.'s	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	823	100%	85,454	100%	438	100%	51,369	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table shows that 1% of consumer loans were made in low income geographies and 12% in moderate income geographies. The bank's performance has declined in 1997 and the bank's penetration is poor given the percentage of families residing in LMI geographies.

Geographic Distribution of Consumer Loans Charlotte MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	3%	4	1%	143	1%	1	nil	5	nil
Moderate Income	17%	89	12%	1,666	9%	44	8%	654	6%
Middle Income	58%	478	62%	10,591	55%	356	64%	5,816	51%
Upper Income	22%	194	25%	6,837	35%	135	24%	4,525	39%
N.A.'s	--	2	nil	87	nil	22	4%	444	4%
Total	100%	767	100%	19,324	100%	558	100%	11,444	100%

Source: Consumer Loan Data Register and 1990 Census Data

The following table shows that the bank's penetration is poor for low income geographies and adequate for moderate income geographies when compared to the percentage of businesses and farms located in these geographies. The bank's level of lending to low income tracts is poor when compared to the aggregate market's 1996 level of lending to low income tracts (8%) and satisfactory when compared to moderate income tracts (17%).

Geographic Distribution of Small Business and Farm Loans 1996 and YTD 1997 Charlotte MSA					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	7%	1%	3%	3%	2%
Moderate Income	22%	16%	18%	16%	16%
Middle Income	49%	51%	51%	51%	48%
Upper Income	22%	32%	28%	30%	34%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table compares STB's HMDA lending to borrowers of different income levels to the proportional number of families in each income level. In 1996, the bank had an adequate record of lending to low income borrowers (considering that 10% of households live below the poverty level) and a good record to moderate income borrowers in relation to the percentage of low and moderate income families residing in these geographies. Overall, STB's lending to LMI borrowers was satisfactory. STB's performance approximates the aggregate market's distribution of HMDA loans to low (8%) and moderate (22%) income borrowers.

Distribution of HMDA Loans by Borrower Income Level Charlotte MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	19%	74	9%	28	6%
Moderate Income	18%	163	20%	86	20%
Middle Income	24%	179	22%	101	23%
Upper Income	39%	391	47%	215	49%
Not Available	---	16	2%	8	2%
Total	100%	823	100%	438	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table shows that, in 1996, the bank had an adequate level of lending to low income borrowers and a good level of lending to moderate income borrowers in relation to the percentage

of low and moderate income families. Overall, STB's lending to LMI borrowers was satisfactory.

Distribution of Consumer Loans by Borrower Income Level Charlotte MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	19%	128	17%	65	12%
Moderate Income	18%	153	20%	115	21%
Middle Income	24%	144	19%	130	23%
Upper Income	39%	302	39%	196	35%
Not Available	--	40	5%	52	9%
Total	100%	767	100%	558	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. The below table indicates a majority of the loans were for amounts of less than \$100,000. The bank's level of lending is lower than the aggregate market which made 86% under \$100,000, 8% between \$100,000 and \$250,000 and 6% over \$250,000.

Distribution of Small Business and Farm Loans by Loan Size Charlotte MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	295	65%	13,498	20%	204	65%	7,776	17%
Between \$100,000 and \$250,000	77	17%	12,947	20%	49	16%	8,071	17%
Greater than \$250,000	82	18%	39,896	60%	59	19%	30,718	66%
Total	454	100%	66,341	100%	312	100%	46,565	100%

Source: Small Business Data Collection Register

Additionally, in 1996, approximately 56% of small business - farm loans were made to entities with gross revenues of less than \$1 million. This compares closely with the aggregate market which granted 60% of loans in 1996 to firms with revenues less than \$1 million. This indicates STB is meeting the credit need of providing loans to small businesses and farms.

Community Development Loans

STB has originated a high level of community development loans given its size and deposit

market share in the Charlotte MSA. A recap of these loans is detailed below.

- STB has originated an \$8.7 million loan with proceeds used to refinance a 428-unit apartment complex in Charlotte, N.C. The apartment is restricted to low and moderate income individuals.

Flexible Lending Products

STB makes effective use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. STB has originated 44 Right Start Mortgage loans to low (12) and moderate (32) income individuals. Six (\$292,000) of these loans were made in moderate income geographies. No loans were made in low income geographies . . .

INVESTMENT TEST

STB has made a poor level of qualified investments given its size, deposit market share, and available opportunities within the Charlotte MSA. The bank's qualified investments consisted solely of donations totaling \$17,500. None of the investments, summarized below, were considered innovative or complex.

- Approximately \$7,000 was donated to several non profit organizations that provide food, counseling, foster care, and pregnancy support for low and moderate income individuals in Mecklenburg County.
- Approximately \$6,500 was donated to several non profit organizations that provide affordable housing to low and moderate income individuals in Cabarrus County.
- Approximately \$4,000 was donated to several organizations that provide youth programs for low and moderate income individuals in Mecklenburg County.

SERVICE TEST

STB's delivery systems were reasonably accessible to all areas and individuals of different income levels. The bank currently operates fifteen branches in the Charlotte MSA. Branch hours are reasonable and do not significantly vary among branch locations. All but one of STB's fifteen ATMs, not located at a branch, are located in middle and upper income geographies. Since January 1, 1996, the bank has not closed or opened any branch offices.

The following table reflects a reasonable distribution of branches in LMI areas. STB has an excellent distribution of branches in low income geographies, given the percentage of families residing in these areas, while the distribution of branches in moderate income geographies is adequate.

Distribution of Branch Offices and ATM's Charlotte MSA								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	13	6%	8	3%	1	5%	0	0%
Moderate Income	50	22%	47	17%	2	11%	1	7%
Middle Income	116	51%	165	58%	12	67%	8	53%
Upper Income	42	19%	63	22%	3	17%	6	40%
N.A's	4	2%	0	0%	0	0%	0	0%
Total	225	100%	283	100%	18	100%	15	100%

Source: 1990 Census Data and bank provided information

STB makes limited use of its alternative delivery systems (i.e., mortgage loan by phone) to originate loans. Six loans were originated in the Charlotte MSA, one of which was made to a low or moderate income individual.

Community Development Services

STB provides a low level of community development services within the Charlotte MSA. Examples of these services are detailed below.

- Seminars: STB has conducted six Home Buyer Education Seminars and three Small Business Lending Seminars.
- Small Business Administration (SBA) Advisory Board: An STB representative works with the SBA to establish underwriting guidelines, increase loan production, and evaluate current and upcoming loan programs.
- Charlotte Community Development Corporation (CCDC): The CCDC originates SBA loans. An STB representative is a board member and is responsible for educating lending personnel about the various loan programs and services that are offered by the CCDC.
- Seniors Center: This organization provides community services to senior citizens, the majority of which are low and moderate income individuals. An STB representative is a board member of this organization and assists individuals in obtaining subsidized housing.

Non MSA Assessment Areas of North Carolina

Conclusions for Performance Test in Non MSA Assessment Areas

STB's performance in meeting the credit needs within the non MSA assessment areas of North Carolina is satisfactory. The bank's responsiveness to credit needs is very good for moderate income individuals and adequate for low income individuals. The bank has a good distribution of HMDA and a very good distribution of consumer loans to moderate income geographies. The bank's distribution of business loans is adequate. STB's level of community development loans and qualified investments are poor given its financial condition and available opportunities. Delivery systems were reasonably accessible to areas and individuals of different income levels.

Description of Bank's Operations in Non MSA Assessment Areas

STB operates six branches in four non MSA counties of Cleveland, Iredell, Rutherford, and Transylvania counties. Competition in these counties is considered moderate.

Description of Non MSA Assessment Areas

The number of non-farm businesses and farm businesses operating in the assessment areas totaled 7,300 and 200, respectively. Services (37%), retail trade (24%), and construction (9%) represents 70% of the number of businesses within this four-county area. As of 1997, the statewide non MSA median family income was \$35,000, with 12% of the households living below the poverty level. There are no low income geographies and two moderate income geographies within this four-county area. The following two tables provide additional demographic data for the non MSA areas of North Carolina. The first table details the distribution of census tracts, families, households, and population by geography income designation. The second table details housing stock demographic data.

Assessment Area Demographic Data Distribution by Census Tract Income Level Non MSA Areas of North Carolina												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	0	0%	2	4%	33	61%	15	28%	4	7%	54	100%
Families (000's)	0	0%	2	3%	46	62%	27	35%	0	0%	75	100%
Population (000's)	0	0%	7	3%	161	62%	92	35%	0	0%	260	100%

Source: 1990 Census Data

Housing Stock Demographics Non MSA Areas of North Carolina						
Tract Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total Units	% Multifamily Units
Low Income	0	0%	0%	0%	100%	0%
Moderate Income	3,232	46%	48%	6%	100%	9%
Middle Income	70,115	65%	23%	12%	100%	53%
Upper Income	38,189	71%	20%	9%	100%	38%
Total	111,536					100%

Source: 1990 Census Data

The predominant credit and non credit related needs were small business loans, affordable housing for low income individual, and seminars pertaining to financial services such as home buyer seminars and small business counseling.

LENDING TEST

Geographic Distribution of Loans

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows a good distribution of loans for 1996, among moderate income geographies in relation to the percentage of owner occupied housing units in these areas. Performance in 1997 has declined significantly from 1996 and is considered weak.

Distribution of HMDA Loans by Census Tract Income Designation Non MSA Areas of North Carolina									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	0%	0	0%	0	0%	0	0%	0	0%
Moderate Income	2%	7	3%	297	2%	1	1%	20	nil
Middle Income	62%	225	79%	14,302	77%	139	87%	10,674	91%
Upper Income	36%	52	18%	3,873	21%	20	12%	1,049	9%
N.A.'s	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	284	100%	18,472	100%	160	100%	11,743	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table shows a very good distribution of loans among moderate income geographies in relation to the percentage of families residing in these geographies. While 1997 performance is lower than 1996, it is still considered reasonable.

Geographic Distribution of Consumer Loans Non MSA Areas of North Carolina									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	0%	0	0%	0	0%	0	0%	10	nil
Moderate Income	3%	12	6%	184	3%	2	2%	13	1%
Middle Income	62%	145	74%	3,103	58%	108	68%	1,487	71%
Upper Income	35%	40	20%	2,093	39%	48	30%	578	28%
Total	100%	197	100%	5,380	100%	159	100%	2,088	100%

Source: Consumer Loan Data Register and 1990 Census Data

The following table compares the bank's level of small business - farm loans with the proportionate number of businesses and farms operating in the type of geography. STB's penetration of loans in moderate income geographies was reasonable in 1996. However, no small business loans have been originated year-to-date 1997 in moderate income tracts. The bank's level of lending is low compared to the aggregate market which granted 4% of loans to moderate income tracts during 1996.

Geographic Distribution of Small Business and Farm Loans 1996 and YTD 1997 Non MSA Areas of North Carolina					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	0%	0%	0%	0%	0%
Moderate Income	5%	2%	1%	0%	0%
Middle Income	59%	69%	58%	61%	41%
Upper Income	36%	29%	41%	39%	59%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that the bank had an excellent record of lending to moderate income individuals as it exceeded the percentage of moderate income families in the area and the aggregate market's (17%) distribution of loans to this group of individuals. While performance declined in 1997, the bank's level of lending is considered satisfactory overall. STB's level of lending to low income individuals is adequate considering 12% of the households live below the poverty level and the aggregate market's distribution of such loans (5%).

Distribution of HMDA Loans by Borrower Income Level Non MSA Areas of North Carolina					
Income Level	% of Families in Assessment Area	1996		1997	
		#	%	#	%
Low Income	15%	10	4%	9	6%
Moderate Income	16%	57	20%	20	13%
Middle Income	22%	73	26%	28	17%
Upper Income	47%	142	50%	99	62%
Not Available	0%	2	nil	4	2%
Total	100%	284	100%	160	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table compares STB's consumer lending to borrowers of different income levels to the proportional number of families in each income level. In both 1996 and 1997, the bank had an excellent record of lending to moderate income individuals in relation to the percentage of moderate income families. The bank's level of lending to low income individuals declined to 7% in 1997, but is still considered adequate. Overall, STB's performance was good.

Distribution of Consumer Loans by Borrower Income Level Non MSA Areas of North Carolina					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	15%	17	9%	11	7%
Moderate Income	16%	43	22%	39	24%
Middle Income	22%	31	16%	44	28%
Upper Income	47%	97	49%	63	40%
Not Available	0%	9	4%	2	1%

Distribution of Consumer Loans by Borrower Income Level Non MSA Areas of North Carolina					
Total	100%	197	100%	159	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. The below table indicates a majority of the loans were granted for amounts of less than \$100,000. The bank's level of lending is lower than the aggregate market which made 87% under \$100,000, 8% between \$100,000 and \$250,000 and 5% over \$259,000.

Distribution of Small Business and Farm Loans by Loan Size Non MSA Areas of North Carolina								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	102	80%	3,815	29%	33	69%	1,159	17%
Between \$100,000 and \$250,000	8	6%	1,417	11%	5	10%	808	12%
Greater than \$250,000	17	14%	7,857	60%	10	21%	4,730	71%
Total	127	100%	13,089	100%	48	100%	6,697	100%

Source: Small Business Data Collection Register

Additionally, approximately 56% of small business - farm loans were made to entities that had gross revenues of less than \$1 million. This performance is less than the aggregate market, which granted 71% of loans in 1996 to such firms. However, the foregoing data does indicate that STB is meeting the credit needs of small businesses and farms.

Community Development Loans

STB has not made any community development loans in the non MSA assessment areas of North Carolina.

Flexible Lending Products

STB makes use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. STB originated 21 (\$1,868,000) Right Start Mortgage Loans within the non MSA assessment areas of North Carolina. Ten of these loans were made to low (1) and moderate (9) income individuals for a total amount of \$913,000.

INVESTMENT TEST

STB has made a poor level of qualified investments. The bank's qualified investments consisted of a \$2,500 donation to the Transylvania Housing Development Corporation (THDC). THDC provides housing for low and moderate income families in Transylvania County. Additionally, \$500 was donated to two needy families in Cleveland County.

SERVICE TEST

STB delivery systems are reasonably accessible to areas and individuals of different income levels. The bank currently operates six branches in four counties. None of the bank's branches are located in moderate income geographies. However, one of the two moderate income geographies is adjacent to another geography in which a branch is located. The lack of branch offices in moderate income geographies has not hampered STB's ability to meet the credit needs of individuals residing in these areas. Loan data contained in previous tables indicate STB has a good distribution of loans. STB has not used alternative delivery systems (i.e., loan by phone) to originate loans to low or moderate income individuals.

The following table compares the distribution of the bank's branch offices and ATM's to the percentage of families residing in tracts of that income level.

Distribution of Branch Offices and ATM's Non MSA Areas of North Carolina								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	0	0%	0	0%	0	0%	0	0%
Moderate Income	2	4%	2	3%	0	0%	0	0%
Middle Income	33	61%	46	62%	4	67%	0	0%
Upper Income	15	28%	27	35%	2	33%	0	0%
N.A.'s	4	7%	0	0%	0	0%	0	0%
Total	54	100%	75	100%	6	100%	0	0%

Source: 1990 Census Data and bank provided information

STB has not closed or open any branch offices since January 1, 1996.

Community Development Services

STB provides a low level of community development services within its non MSA assessment areas. Community development services have been limited to providing home buyer education seminars to low and moderate income individuals in Transylvania.

ADDITIONAL METROPOLITAN AREAS

Lending Conclusions

STB's lending performance in Greensboro is consistent with STB's high satisfactory lending performance in the state.

STB's lending performance in Raleigh is worse than STB's high satisfactory lending performance in the state; however, it does not change the rating for the state.

These conclusions are based on the facts and data presented in the following two charts.

State of North Carolina MSA's Lending by LMI Geography and LMI Borrowers									
MSA	LMI Tract						LMI Borrower		
	% Owner Occp'd.	% 1996 HMDA Loans	% Fam-ilies	% 1996 Cons. Loans	%of Busi-nesses	% Small Biz & Farm Loans	% Fam-ilies	%1996 HMDA Loans	% 1996 Cons. Loans
Greensboro	12	22	16	16	25	29	37	75	28
Raleigh	10	6	13	6	14	2	31	32	28

State of North Carolina MSA's % of Small Business and Farm Loans by Loan Size and % of Loans to Firms With Annual Revenues < \$1,000,000					
MSA	Loan Size				% Loans to Firms with Annual Revenues < \$1,000,000
	<\$100,000	\$100,000-\$250,000	>\$250,000	Total	
Greensboro	62	23	15	100	59
Raleigh	67	18	15	100	63

Investment Conclusions

STB's investment performance in Greensboro and Raleigh is consistent with STB's Needs to Improve investment performance in the state. These conclusions are based on the facts and data presented in the following chart.

State of North Carolina MSA's Investments	
MSA	
Greensboro	\$600
Raleigh	4,800

Service Conclusions

STB's service performance in Greensboro and Raleigh is consistent with STB's low satisfactory service performance in the state.

These conclusions are based on the facts and data presented in the following chart.

State of North Carolina MSA's Branch and ATM Locations			
	% Families in LMI Tracts	% Branches in LMI Tracts	% Off-site ATM's in LMI Tracts
Greensboro	16	0	NA
Raleigh	13	0	0

State Rating - South Carolina

CRA Rating for South Carolina: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF THE BANK'S OPERATIONS IN SOUTH CAROLINA

Area Description

STB's three assessment areas consist of the Charleston MSA, Columbia MSA, and two (Greenville and Spartanburg counties) of the five counties within the Greenville MSA. There is a total of eight MSAs within South Carolina.

The bank's assessment areas include a total of 370 geographies (census tracts and block numbering areas). According to 1990 census information, 30 (8%) of the geographies are low income, 78 (21%) are moderate income, 160 (43%) are middle income, 83 (23%) are upper income, and 19 (5%) lack sufficient population to be assigned an income level. Population of the assessment areas was approximately 1.5 million. As a whole, the assessment areas include 43% of total South Carolina geographies, 43% of the state's population, and 83% and 44% of low and moderate income geographies, respectively. The assessment areas have approximately 399,000 families of which approximately 78,000 (20%) are low income, 70,000 (17%) are moderate income, 94,000 (24%) are middle income, and 157,000 (39%) are upper income.

Scope

We performed full examination procedures in the Charleston MSA. The Charleston MSA contains 34% of the geographies within the bank's assessment areas and 33% of STB branches in South Carolina. For the other two MSAs (Columbia and Greenville) we did not perform full examination procedures. We reviewed limited data to determine if the bank's performance in the individual MSA's was consistent with the overall ratings for the state.

Community Contacts

During the examination, we contacted one community organization within the state of South Carolina. To augment information received from our contact, we also reviewed one community contact form previously completed by a representative of another regulatory agency. We also reviewed a U.S. Department of Housing and Urban Development (HUD) Consolidated Strategy and Plan. The predominant needs identified through the foregoing process were affordable

housing and small business loans, including:

- Affordable housing for low income individuals - Multifamily rental and single family Section 8 HUD subsidized housing is especially needed for low income individuals. Because of housing losses from Hurricane Hugo, occupancy rates for rental units are nearly 100%. Presently there is a fifteen to eighteen-month waiting list for public housing.
- Small business loans - According to community contacts, loans for amounts of \$50,000 or less is especially needed for newly established or proposed businesses.
- Education pertaining to financial services such as home buying seminars, credit counseling, and small business counseling.

CONCLUSIONS FOR CRA PERFORMANCE IN SOUTH CAROLINA

Based upon our detailed review of the Charleston MSA, STB's performance in South Carolina is considered satisfactory. STB has a relatively high level of community development loans (\$4.6 million) which was the primary basis for the high satisfactory lending rating. The bank's record of serving low and moderate income individuals was very good. STB has also a very good distribution of small business loans in low and moderate income areas. Overall, STB's level of qualified investment is adequate given its financial condition, size, and available opportunities. STB had a high level of community development services and a reasonably accessible delivery system.

Detailed discussions and data for the Charleston MSA are provided in the latter portions of this evaluation. Conclusions and limited data are provided for the remaining assessment areas

Charleston Metropolitan Statistical Area - MSA 1440

Conclusions for Performance Tests in the Charleston MSA

Conclusions are the same as given for the overall state as this was the only assessment area reviewed with the full scope examination procedures.

Description of Bank's Operations in the Charleston MSA

As of June 30, 1996, STB had \$221 million in deposits in the Charleston MSA and was the 4th largest financial institution in the MSA based on a deposit market share⁹ of 6.4%. STB operates five branches in Charleston County. Major deposit taking competitors include Wachovia Bank and NationsBank.

Description of the Charleston MSA

The Charleston MSA consists of three counties (i.e., Berkeley, Charleston, and Dorchester counties). The impacts of Hurricane Hugo in 1989 and the closure of the naval base in 1996 have produced a series of housing and economic challenges for the city of Charleston. The Charleston metropolitan area was the most rapidly growing region in the state of South Carolina from 1980 to 1990.

The number of non-farm businesses and farm businesses was approximately 14,700 and 300, respectively. As of 1997, the updated MSA median family income was \$39,500, with 14% of the households living below the poverty level. Fifty percent of households residing in low income geographies live below the poverty level. The following two tables provide additional demographic data for the Charleston MSA.

Assessment Area Demographic Data Distribution by Census Tract Income Level Charleston MSA												
	Low		Moderate		Middle		Upper		N.A.'s		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	9	7%	25	20%	47	38%	27	22%	17	13%	125	100%
Families (000's)	5	4%	22	17%	68	52%	36	27%	0	0%	131	100%
Population (000's)	21	4%	91	18%	255	51%	134	27%	0	0%	501	100%

⁹ Source: Herfindahl - Hirschman Index

Source: 1990 Census Data

Housing Stock Demographics Charleston MSA						
Tract Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	Total # of Units	% Multifamily Units
Low Income	8,612	22%	63%	15%	100%	8%
Moderate Income	35,085	47%	41%	12%	100%	13%
Middle Income	98,616	60%	31%	9%	100%	46%
Upper Income	57,561	58%	28%	14%	100%	33%
Total	199,874					100%

Source: 1990 Census Data

LENDING TEST

The following two tables detail STB's market share and ranking for 1996 HMDA loans. The first table shows market share and ranking by geography income level. As shown in the table, STB's market share in low income geographies is excellent as it exceeded their market share for all income geographies. The bank's performance in moderate income geographies is strong in home purchase/refinances and weak in home improvement. Overall, STB's market share performance is strong.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Charleston MSA									
	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
Loan Product	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	497	3.5%	9	4	4.0%	6	55	3.9%	9
Home Improvement	48	3.2%	9	2	14.3%	2	3	1.3%	12
Total	545			6			58		

Source: FFIEC 1996 HMDA data

The following table shows that STB has an excellent level of lending to low and moderate income individuals. The bank's lending to these individuals exceeded their level of lending to all borrowers.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Charleston MSA									
Loan Product	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	497	3.5%	9	45	3.8%	8	116	4.4%	6
Home Improvement	48	3.2%	9	7	4.6%	7	10	4.0%	9
Total	545			52			126		

Source: FFIEC 1996 HMDA data

Geographic Distribution of Loans

STB's geographic distribution of HMDA, consumer, and small business - farm loans reflected adequate penetration throughout the Charleston MSA. A review of the distribution of HMDA, consumer, and small business loans showed no conspicuous gaps in the penetration of geographies with the Charleston MSA.

The following table details the geographic distribution of STB's HMDA lending within the Charleston MSA. The bank's level of lending to low and moderate income geographies lags behind the proportional number of owner occupied housing units in these areas. STB's level of lending approximates the aggregate market's distribution of HMDA loans for low (1%) and moderate (11%) income geographies.

Distribution of HMDA Loans by Census Tract Income Designation Charleston MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				1997			
		#	%	\$ (000's)	%	#	%	\$ (000's)	%
Low Income	2%	6	1%	170	nil	1	nil	120	nil
Moderate Income	15%	58	11%	3,096	7%	25	9%	1,503	6%
Middle Income	53%	268	49%	21,068	44%	143	50%	10,858	42%
Upper Income	30%	216	39%	23,074	49%	118	41%	13,252	52%
N.A.'s	0%	0	0%	0	0%	0	0%	0	0%
Total	100%	548	100%	47,408	100%	287	100%	25,733	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data

The following table compares the bank's level of lending to the proportionate number of families residing in geographies. Two percent and 7% of consumer loans were made in low and moderate

income geographies, respectively. The bank's penetration is considered adequate given the percentage of families residing in these geographies.

Geographic Distribution of Consumer Loans Charleston MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	4%	14	2%	139	1%	12	2%	282	1%
Moderate Income	17%	56	7%	971	5%	52	7%	1,296	6%
Middle Income	52%	287	37%	6,465	33%	290	37%	6,677	30%
Upper Income	27%	411	53%	12,019	61%	423	54%	14,097	63%
N.A.'s	--	3	1%	79	nil	0	0%	0	0%
Total	100%	771	100%	19,673	100%	777	100%	22,352	100%

Source: Consumer Loan Data Register and 1990 Census Data

The following table shows that STB originated a very good proportion of small business - farm loans in low income geographies when compared to the percentage of businesses located in the geographies. STB level of lending in moderate income geographies is lower than the demographic makeup of the MSA, but is still considered adequate. The bank's level of lending in 1996, particularly in low income tracts, compares favorably with the aggregate market's lending in low (3%) and moderate (14%) income tracts.

Geographic Distribution of Small Business and Farm Loans 1996 and YTD 1997 Charleston MSA					
Tract Income Level	% of Businesses and Farms by Location	Distribution of Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	5%	8%	14%	5%	7%
Moderate Income	19%	13%	13%	11%	10%
Middle Income	45%	36%	37%	39%	36%
Upper Income	31%	43%	36%	45%	47%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc. and Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that, while the bank's level of lending to low income borrowers lags behind the proportional share of families in that income level, their performance is adequate. This is true given the fact that 14% of the households in the Charleston MSA are below the poverty level. The bank's lending to moderate income borrowers is excellent as it exceeds the proportional share of families in that income group. The bank's level of lending in 1996, is very good when compared to the aggregate market's distribution of HMDA loans to low (8%) and moderate (18%) income borrowers. Overall, STB's performance is very good.

Distribution of HMDA Loans by Borrower Income Level Charleston MSA					
Income Level	% of Families in Assessment Area	1996		1997	
		#	%	#	%
Low Income	20%	52	10%	19	7%
Moderate Income	18%	126	23%	59	21%
Middle Income	23%	134	24%	72	25%
Upper Income	39%	190	35%	127	44%
Not Available	0%	46	8%	10	3%
Total	100%	548	100%	287	100%

Source: FFIEC 1996 HMDA data, 1997 HMDA Loan Application Register, and 1990 Census Data - U.S. Bureau of the Census

The following table compares STB's consumer lending to borrowers of different income levels to the proportional number of families in each income level. The bank's level of lending to low and moderate income individuals is considered adequate in relation to the percentage of LMI families.

Distribution of Consumer Loans by Borrower Income Level Charleston MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	20%	64	8%	44	6%
Moderate Income	18%	82	11%	127	16%
Middle Income	23%	121	16%	123	16%
Upper Income	39%	375	48%	461	59%
Not Available	0%	129	17%	22	3%
Total	100%	771	100%	777	100%

Source: Consumer Loan Data Register and 1990 Census Data

STB makes loans to businesses and farms of different sizes and varying amounts. The below table

indicates a majority of the loans were for amounts of less than \$100,000. The bank's level of lending is lower than the aggregate market which made 88% less than \$100,000, 7% between \$100,000 and \$250,000 and 5% more than \$250,000.

Distribution of Small Business and Farm Loans by Loan Size Charleston MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	287	75%	11,055	27%	128	72%	4,496	21%
Between \$100,000 and \$250,000	55	15%	9,418	23%	28	16%	5,360	25%
Greater than \$250,000	39	10%	20,451	50%	22	12%	11,377	54%
Total	381	100%	40,924	100%	178	100%	21,233	100%

Source: Small Business Data Collection Register

Additionally, in 1996, approximately 77% of small business - farm loans were made to entities that had gross revenues of less than \$1 million. This compares favorably to the aggregate market which made 64% of loans in 1996 to firms with annual revenues less than \$1 million. This indicates STB is meeting the credit needs of providing loans to small businesses and farms.

Community Development Loans

STB originated a high level of community development loans given its size and deposit market share in the Charleston MSA. STB originated a \$4.6 million loan which was used to refinance a 256-unit apartment complex in the Charleston MSA. The monthly rents are affordable for low income individuals.

Flexible Lending products

STB makes effective use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. STB uses its proprietary Right Start Mortgage Program and an affordable mortgage program operated by the Charleston Bank Consortium. Information on these two programs is detailed below.

- STB has originated 36 (\$2,182,000) Right Start loans within the Charleston MSA. Twenty-four of these loans were made to low (3) and moderate (21) income individuals for a total amount of \$1,302,000. Five loans were made in moderate income geographies. No loans were made in low income geographies.
- The Charleston Bank Consortium is a non profit community-based organization whose sole purpose is to create home ownership opportunities in the city of Charleston for LMI families. Flexible loan underwriting criteria include reduced down payment, down payment assistance, below market interest rates, and no requirement for private mortgage

insurance. The bank originated three loans for \$210,487.

INVESTMENT TEST

STB made an adequate level of qualified investments given its size and deposit market share within the Charleston MSA. None of the investments, summarized below, were considered complex or innovative.

- In 1994, the bank made a \$50,000 equity investment in the South Carolina Business Development Corporation (SCBDC). This represented a 1.8% ownership interest in SCBDC. SCBDC originates small business loans under SBA's 504 loan program. In 1996, SBCDC originated loans to twenty-four businesses, across the state of South Carolina, for approximately \$7 million. Information was not available regarding the number of loans originated within the Charleston MSA.
- ▶ Approximately \$1,700 was donated to two organizations that provide shelter and food to low and moderate income individuals.
- Approximately \$500 was donated to the Charleston Bank Consortium, a non profit organization whose purpose is to create home ownership opportunities for low and moderate income individuals.

SERVICE TEST

STB's delivery systems were reasonably accessible to all areas and individuals of different income levels. The bank operates five branches all within Charleston County. Branch hours are reasonable and do not significantly vary among branch locations. The bank doesn't have any ATM's that are not located at a branch. STB has not used alternative delivery systems to originate loans to low or moderate income individuals.

The following table shows that STB has a good distribution of branches in moderate income geographies given the percentage of families residing in these areas. The bank doesn't have any branches located in low income geographies. However, the lack of branches in low income geographies has not hampered STB's ability to meet the credit needs of individuals residing in these areas. Loan data contained in previous tables indicate STB has a good distribution of loans.

Distribution of Branch Offices and ATM's Charleston MSA								
Tract Income Designation	Census Tracts		Families (000's)		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	9	7%	5	4%	0	0%	0	0%
Moderate Income	25	20%	22	17%	1	20%	0	0%
Middle Income	47	38%	68	52%	1	20%	0	0%
Upper Income	27	22%	36	27%	3	60%	0	0%
N.A.'s	17	13%	0	0%	0	0%	0	0%
Total	125	100%	131	100%	5	100%	0	0%

Source: 1990 Census Data and bank provided information

STB has not opened or closed any branches since January 1, 1996.

Community Development Services

STB provides a high level of community development services within the Charleston MSA. The bank's community development services have primarily been related to providing affordable housing.

On behalf of third parties, STB has applied for and received grant money from the Federal Home Loan Bank Board's (FHLBB) Affordable Housing Program (AHP). Proceeds were used to provide affordable housing for low and moderate income individuals. In total, STB received grants totaling \$183,000 with proceeds used by the Charleston Bank Consortium and Charleston Affordable Housing, Inc. Information on these two organizations is detailed below.

- **Charleston Bank Consortium:** As previously stated, this organization is a nonprofit community-based organization whose sole purpose is to create home ownership opportunities for low and moderate income individuals. The \$50,000 in grant money from the FHLBB will be used to assist low and moderate income individuals with down payment and closing costs associated with a home loan. Additionally, an STB representative is a member of this organization's loan committee and is involved in the credit decision process.
- **Charleston Affordable Housing, Inc.:** This organization's mission is to provide affordable housing to low income individuals. The \$133,000 in grant money from the FHLBB was used with other financing sources to develop twenty-two rental units for low income families. The twenty-two rental units consist of fourteen single family units and an eight-unit multiplex.

Other community development services include the following.

- Carolina Business Development Corporation (SCBDC): As previously mentioned, SCBDC originates small business loans under SBA's 504 loan program. An STB representative is a board member of this organization and is responsible for identifying businesses that would qualify for a loan.
- Goodwill: Provides various services to low and moderate income individuals. An STB representative is a board member and assists in preparing this organization's budget.
- Canterbury House: This entity is an HUD sponsored apartment complex that provides below market rental units to low and moderate income individuals. An STB representative is a member of this organization's finance committee.

ADDITIONAL METROPOLITAN AREAS

Lending Conclusions

STB's lending performance in Columbia and Greenville is consistent with STB's high satisfactory lending performance in the state. These conclusions are based on the facts and data presented in the following two charts.

State of South Carolina MSA's Lending by LMI Geography and LMI Borrowers									
MSA	LMI Tract						LMI Borrower		
	% Owner Occp'd.	% 1996 HMDA Loans	% Fam-ilies	% 1996 Cons. Loans	% of Busi-nesses	% Small Biz & Farm Loans	% Fam-ilies	%1996 HMDA Loans	% 1996 Cons. Loans
Columbia	21	20	25	10	37	35	37	26	7
Greenville	14	16	18	13	26	24	36	65	23

State of South Carolina MSA's % of Small Business and Farm Loans by Loan Size and % of Loans to Firms With Annual Revenues < \$1,000,000					
MSA	Loan Size				% Loans to Firms with Annual Revenues < \$1,000,000
	<\$100,000	\$100,000-\$250,000	>\$250,000	Total	
Columbia	80	12	8	100	73
Greenville	71	15	14	100	82

Investment Conclusions

STB's investment performance in Columbia and Greenville is worse than STB's low satisfactory investment performance in the state; however, it does not change the rating for the state.

State of South Carolina MSA's Investments	
MSA	
Columbia	\$ 0
Greenville	\$ 1500

Service Conclusions

STB's service performance in Columbia and Greenville is consistent with STB's high satisfactory service performance in the state. These conclusions are based on the facts and data presented in the following chart.

State of South Carolina MSA's Branch and ATM Locations			
	% Families in LMI Tracts	% Branches in LMI Tracts	% Off-site ATM's in LMI Tracts
Columbia	25	50	NA
Greenville	18	25	100

State Rating - Tennessee

CRA Rating for Tennessee: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF THE BANK'S OPERATIONS IN TENNESSEE

Area Description

STB's assessment areas include 2 of the 7 Metropolitan Statistical Areas (MSA) and none of the non-MSA counties within the state of Tennessee. The two MSAs which STB has designated as its assessment areas are Memphis and Nashville. The bank's 11 branches operate in six counties. At June 30, 1996, STB's Tennessee operations totaled \$202 million in deposits with a 3/10ths of 1% deposit market share in the state.

The bank's assessment areas include a total of 369 geographies. According to 1990 census information, 59 (16%) of the geographies are low income, 80 (22%) are moderate income, 131 (36%) are middle income, 90 (24%) are upper income, and nine (2%) lack sufficient population to be assigned an income level. Population of the assessment areas was approximately 1.7 million. As a whole, the assessment areas include 30% of Tennessee's total geographies, 35% of the state's population, 42% of low and moderate income geographies and 33% of low and moderate income families. STB's Tennessee assets represent less than 1% of the bank's total assets.

Scope

We performed full scope examination procedures in the Nashville MSA. We reviewed limited data in the Memphis MSA to determine if the bank's performance in this MSA was consistent with its performance in the overall ratings for the state.

Community Contacts

We reviewed eight recent community contact forms prepared by representatives of the OCC and other bank regulatory agencies. Community organizations contacted include several nonprofit CDC's and several government agencies specifically targeted to affordable housing, small business and community development. U.S. Department of Housing and Urban Development (HUD) Consolidated plans for the MSA'S in which STB operates identified two critical housing needs: increasing the affordability of housing and rehabilitating the existing housing stock. To address affordable housing needs, rental assistance is needed to reduce costs. To address housing quality

problems, funds are needed to help low income persons maintain and repair their homes. Another identified need is education regarding banking, with an emphasis on information regarding how to start a business.

CONCLUSIONS FOR CRA PERFORMANCE IN TENNESSEE

Based upon our detailed review of the Nashville MSA, STB's performance in Tennessee is considered satisfactory. The bank's lending rating is based primarily on its relatively high level (\$3.3 million) of community development lending and its satisfactory HMDA geographic distributions. The bank's responsiveness to credit needs, particularly to those of low and moderate income borrowers, is satisfactory. The level of qualified investments (\$68,320) is reasonable given available opportunities and resources. Delivery systems are reasonably accessible to geographies and individuals of different income levels.

Detailed discussions and data for the Nashville MSA are included in the latter portions of this evaluation. Conclusions and limited data are provided for the Memphis assessment area in the latter portions of this evaluation.

Nashville Metropolitan Statistical Area - MSA 5360

Conclusions for Performance Tests in the Nashville MSA (5360)

Conclusions are the same as given for the overall state as this was the only assessment area reviewed with full scope examination procedures.

Description of Bank's Operations in the Nashville MSA

STB lacks the market share and name recognition to be a dominant bank in metropolitan Nashville. At year end 1996, STB had \$144 million in deposits in the Nashville MSA, which represented an MSA market share of 1.1%. STB opened its first branch in Nashville in 1988 as a de novo bank. Four additional branches have since opened. Major competitors include First American Bank with a 26% market share and 25 branches, SunTrust Bank (23% share, 24 branches), NationsBank (17% share, 23 branches), Union Planters Bank (14 branches, 6% share), First Union Bank (15 branches, 6% share) and First Tennessee Bank (five branches, 3% share).

Description of the Nashville MSA

The Nashville assessment area contains five counties: Davidson, Rutherford, Sumner, Williamson and Wilson. Approximately 11% of the population is more than 65, 5% of households are on public assistance, and 11% of households are below the poverty level.

The two tables that follow show demographic data for the Nashville MSA. The HUD updated Nashville MSA median family income was \$47,500 in 1997. Median housing value is \$82,577 with a median year built of 1970.

Assessment Area Demographic Data Distribution by Census Tract Income Level Nashville MSA												
	Low		Moderate		Middle		Upper		NA		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Census Tracts	16	12%	29	21%	58	43%	31	23%	2	1%	136	100%
Families (000)	33	19%	29	17%	39	23%	72	41%	0	0%	173	100%
Population (000)	44	7%	111	17%	319	49%	179	27%	0	0%	653	100%

Source: 1990 Census Data

Housing Stock Demographics Nashville MSA						
CT Income Level	Number of Units	% Owner Occupied	% Rental Units	% Vacant Units	% Total	% Multifamily Units
Low Income	16,592	23%	65%	12%	100%	9%
Moderate Income	49,158	40%	50%	10%	100%	19%
Middle Income	142,549	53%	38%	9%	100%	57%
Upper Income	73,614	71%	22%	7%	100%	15%
TOTAL	281,913					100%

Source: 1990 Census Data

LENDING TEST

The two tables that follow show STB's market share and rank for 1996 HMDA loans. As shown in the first table, STB's percentage of lending in low income tracts approximated their overall lending in the assessment area. The bank's percentage of lending to moderate income tracts was slightly below their overall market lending. Overall, STB's performance is satisfactory.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Census Tract Nashville MSA									
Loan Product	All Tracts			Low-Income Tracts			Moderate-Income Tracts		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	285	0.9%	36	4	1.1%	23	16	0.5%	55
Home Improvement	20	0.3%	34	0	0.0%	0	0	0.0%	0
Total	305			4			16		

Source: FFIEC, 1996 HMDA Data

STB's percentage of lending to moderate income borrowers approximated its market share overall. The bank's percentage of lending to low income borrowers lagged behind its overall market percentage. Overall, STB's performance is satisfactory.

1996 Home Mortgage Loan Originations Market Share by Income Level of the Borrower Nashville MSA									
Loan Product	All Borrowers			Low-Income Borrowers			Mod-Income Borrowers		
	#	% Mkt	Rank	#	% Mkt	Rank	#	% Mkt	Rank
Home Purchase/Refi	285	0.9%	36	8	0.4%	53	56	0.9%	36
Home Improvement	20	0.3%	34	0	0.0%	0	0	0.0%	0
Total	305			8			56		

Source: FFIEC, 1996 HMDA Data

Geographic Distribution of Loans

The bank has a satisfactory overall geographic distribution of HMDA, consumer, and small business lending within its assessment area and there were no conspicuous gaps in the bank's lending patterns. The following table shows a satisfactory level of lending to low and moderate income areas relative to the number of owner occupied homes in these areas. The bank's level of lending compares favorably to the 1996 aggregate market in low (1%) income tracts, and lags behind in moderate (11%) income tracts. Performance in 1997 is up significantly more than 1996 levels and appears to be good.

Distribution of HMDA Loans by Census Tract Income Designation Nashville MSA									
Tract Designation	% Owner Occupied Housing by Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	3%	4	1%	210	nil	3	2%	199	1%
Moderate Income	13%	19	6%	2,821	7%	19	14%	1,095	7%
Middle Income	50%	153	50%	20,401	47%	63	46%	7,391	47%
Upper Income	34%	129	43%	19,625	46%	53	38%	6,879	45%
NA	0	0	0	0	0	0	0	0	0
Total	100%	305	100%	43,057	100%	138	100%	15,564	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table compares the bank's level of consumer lending to the proportionate number of families residing in census tracts. As shown in the table, the bank's level of lending in low and moderate income tracts is lower than the demographic makeup of its assessment area and is considered poor performance.

Geographic Distribution of Consumer Loans Nashville MSA									
Tract Income Level	% of Families Residing in Tract	1996				YTD 1997			
		#	%	\$(000)	%	#	%	\$(000)	%
Low Income	4%	2	1%	164	1%	2	1%	115	2%
Moderate Income	16%	33	11%	1,344	7%	12	7%	141	2%
Middle Income	56%	114	37%	7,889	43%	91	50%	2,348	36%
Upper Income	24%	159	51%	8,868	49%	76	42%	3,928	60%
Not Available	0	0	0	0	0	0	0	0	0
Total	100%	308	100%	18,265	100%	181	100%	6,532	100%

Source: 1990 Census Data and Bank prepared Consumer Loan Data Collection Register

The following table shows that the bank's level of lending to small businesses and farms in moderate income tracts exceeds the demographic makeup of its assessment area and is very good performance. This is noteworthy because only one of STB's branches is located in a moderate income area, which is the downtown business district. The level of business lending to low income tracts is satisfactory. The bank's level of lending approximates the 1996 aggregate market lending to low (4%) and moderate (23%) income tracts.

Geographic Distribution of Small Business Loans/Small Farm Loans Nashville MSA					
Tract Income Level	% of Businesses by Location	Distribution of Small Business Loans by Location			
		1996		YTD 1997	
		#(%)	\$(%)	#(%)	\$(%)
Low Income	6%	3%	6%	2%	10%
Moderate Income	25%	31%	18%	27%	16%
Middle Income	47%	31%	37%	41%	40%
Upper Income	22%	36%	38%	30%	34%
Total	100%	100%	100%	100%	100%

Source: Dun & Bradstreet, Inc and Bank prepared Small Business Data Collection Register

Loan Distribution by Borrower Income

The following table shows that the bank has a good record of lending to moderate income

borrowers. In 1996, STB had a poor record of lending to low income borrowers but improved its performance in 1997. Overall, STB's performance is satisfactory. The bank's level of lending compares satisfactorily with the 1996 aggregate markets lending to low (6%) and moderate (18%) income borrowers.

Distribution of HMDA Loans by Borrower Income Level Nashville MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	19%	8	3%	11	8%
Moderate Income	17%	56	18%	23	17%
Middle Income	24%	79	26%	37	27%
Upper Income	40%	150	49%	60	43%
Not Available	0	12	4%	7	5%
Total	100%	305	100%	138	100%

Source: FFIEC, 1996 HMDA Data and 1997 HMDA Loan Application Register

The following table shows a weak level of consumer lending to low income borrowers for 1996. The percent of loans to low income borrowers improved in 1997 but is still considered low. The level of consumer lending to moderate income borrowers is adequate as it has improved to the point in 1997 where it approximates the percent of families in moderate income tracts. Overall, STB's performance is adequate.

Distribution of Consumer Loans by Borrower Income Level Nashville MSA					
Income Level	% of Families in Assessment Area	1996		YTD 1997	
		#	%	#	%
Low Income	19%	17	6%	17	9%
Moderate Income	17%	24	8%	29	16%
Middle Income	24%	53	17%	34	19%
Upper Income	40%	184	60%	86	48%
Not Available	0%	30	9%	15	8%
Total	100%	308	100%	181	100%

Source: 1990 Census and Bank prepared Consumer Data Collection Register

STB makes loans to businesses of different sizes and varying amounts. The table below shows

that the majority of business loans are for amounts less than \$100,000. The bank's level of lending is lower than the 1996 aggregate market which made 84% less than \$100,000, 9% between \$100,000 and \$250,000 and 7% more than \$250,000.

Distribution of Small Business Loans/Small Farm Loans by Loan Size Nashville MSA								
Loan Size	1996				YTD 1997			
	#	%	\$(000)	%	#	%	\$(000)	%
Less than \$100,000	212	62%	9,571	21%	61	65%	2,840	18%
Between \$100,000 and \$250,000	85	25%	13,463	29%	15	16%	2,698	18%
Greater than \$250,000	42	13%	23,140	50%	18	19%	9,882	64%
Total	339	100%	46,174	100%	94	100%	15,420	100%

Source: Bank prepared Small Business Data Collection Register

During 1996 and YTD 1997, respectively, 42% and 63% of the small businesses and small farms to which the bank made loans had revenues less than \$1 million. This is low compared to the 1996 aggregate market which granted 64% of loans to firms with annual revenues less than \$1 million.

Community Development Loans

STB has made a relatively high level of community development loans in the Nashville MSA. During the evaluation period, four community development loans totaling \$3.3 million were made. Some of the more significant community development loans include:

- \$2.4 million to finance a 96-unit apartment complex in Murfreesboro specifically for low and moderate income families.
- \$640,000 to construct a low and moderate income apartment complex located in a rural community.
- \$115,000 to purchase land to build a low income apartment complex under the Tennessee Housing Development Agency's Tax Credit Program.

Flexible Lending Products

STB makes use of flexible lending programs to meet identified credit needs pertaining to affordable mortgage loans. During this 18-month evaluation period, STB originated 37 RightStart Mortgage loans totaling \$2,561,000 in the Nashville MSA. Three percent and 11% of these loans were made in, respectively, low and moderate income geographies. Sixteen percent and 43% of these loans were made to, respectively, low and moderate income borrowers.

INVESTMENT TEST

STB made an adequate level of investments in the assessment. Qualified investments totaled \$67,320. The largest qualified community development investment was a \$50,000 equity investment in the Nashville Housing Fund. This fund is comprised of local government and financial institutions to create housing opportunities for low and moderate income families. The fund provides down payment and closing cost assistance as well as low interest loans for the development of affordable housing. The amount invested by 11 investors (primarily other banks) totals \$2.9 million. STB's \$50,000 represents 2% of the total, which exceeds their 1% market share in Nashville.

SERVICE TEST

STB's delivery systems were reasonably accessible to geographies and individuals of different income levels. As shown in the table, STB had one branch in a moderate income tract which on a percentage basis approximated the percentage of families living in moderate income tracts. The bank had no branches in low income tracts; however, as shown in their lending performance, STB was able to provide services to low and moderate income areas and individuals. Alternate delivery services produced one HMDA loan in a moderate income census tract during 1997. Alternate delivery services consist entirely of loans by phone.

Distribution of Branch Offices and ATM's Nashville MSA								
Tract Income Designation	Census Tracts		Families		Branches		Off-Site ATM's	
	#	%	#	%	#	%	#	%
Low Income	17	9%	10,226	4%	0	0%	0	0%
Moderate Income	39	21%	38,708	16%	1	14%	0	0%
Middle Income	90	49%	131,277	56%	3	43%	5	83%
Upper Income	36	20%	56,215	24%	3	43%	1	17%
Uninhabited	2	1%	0	0%	0	0%	0	0%
Total	184	100%	236,426	100%	7	100%	6	100%

Source: 1990 Census Data and Bank supplied information

During 1996, the bank opened two branches in the Nashville MSA, both in middle and upper income areas. The bank did not close any branches in MSA 5360 from January 1996 to June 1997.

Community Development Services

The bank provides a good level of community development services. Between January 1996 and June 1997, the bank held two home buyer seminars with 21 attendees, one small business workshop with 15 attendees, and six general banking workshops with 183 attendees. Also, the bank donated employee time or maintains a working relationship with the following organizations:

- Park Avenue Elementary School in a moderate income tract. As an adopt-a-school partner, the bank conducts workshops where basic financial information and home buyer's education is presented.
- Low Income Housing Forum which consists of neighborhood associations, banks, and non-profit organizations. An STB employee represents the bank at monthly forum meetings and provides technical expertise qualifying for a loan, different loan programs available, etc.
- National Association of Black Accountants has teamed with the bank to present at least two financial workshops per year to local churches in low and moderate income tracts. STB presents information on preparing loan packages.
- Nashville Chamber of Commerce Access Small Business Panel which allows businesses to present loan packages to representatives from financial institutions. An STB employee periodically spends time on this panel, which meets monthly.
- Women in Community Service has designed a Life skills Training program to help women get off welfare by training them for gainful employment. STB presents banking workshops.
- Jefferson Street United Merchants Partnership (JUMP) has partnered with STB to help redevelop a low and moderate income community. STB helps educate consumers and business owners about financial and banking related matters.
- Minority Enterprise Development Center helps minority owned small businesses in low and moderate income areas develop loan packages and gain borrowing opportunities through the public and private sector.

ADDITIONAL METROPOLITAN AREAS

Lending Conclusions

STB's lending performance in Memphis is worse than STB's high satisfactory lending performance in the state; however, it does not change the rating for the state. This conclusion is based on the facts and data presented in the following two charts.

State of Tennessee MSA Lending by LMI Geography and LMI Borrowers									
MSA	LMI Tract						LMI Borrower		
	% owner Occ.	% 1996 HMDA Loans	% Families	% 1996 Cons. Loans	% of Businesses	% Small Biz & Farm Loans	% Families	% 1996 HMDA Loans	% 1996 Cons. Loans
Memphis	28	10	34	3	28	23	39	16	10

State of Tennessee MSA % of Small Business and Farm Loans by Loan Size and % of Loans to Firms With Annual Revenues < \$1,000,000					
MSA	Loan Size				% Loans to Firms with Annual Revenues < \$1,000,000
	<\$100,000	\$100,000-\$250,000	>\$250,000	Total	
Memphis	80	11	9	100	50

Investment Conclusions

STB's investment performance in Memphis is worse than STB's low satisfactory investment performance in the state; however, it does not change the rating for the state. STB has made only \$1,000 in qualified investments (contributions) during the evaluation period.

Service Conclusions

STB's service performance in Memphis is worse than STB's low satisfactory performance in the state; however, it does not change the rating for the state. This conclusion is based on the fact that STB does not have a branch or off-site presence in an LMI tract. In contrast 34% of the families in the Memphis AA reside in LMI tracts.

APPENDIX

Definition of Terms

The following are definitions of terms used throughout this public evaluation. The definitions are not the strict legal definitions contained in 12 C.F.R. 25.12, but rather a more concise synopsis of their meaning.

Community Development - The primary purpose of the loan, investment, or service is for (1) affordable housing for low or moderate income individuals; (2) community services targeted to low or moderate income individuals; (3) activities that promote economic development by financing small businesses and farms; and (4) activities that revitalize or stabilize low or moderate income areas.

HMDA Loan - A residential real estate loan (home purchase, home refinance, home improvement, or multifamily)

Geography - A census tract or block numbering area.

Low, Moderate, Middle, and Upper Income Area - A low income area is one in which the median family income is less than 50% of the area median income, moderate income is 50% to 79% of the area median family income, middle income is 80% to 119% of the area median family income, and upper income is 120% or more of the area median family income.

Qualified Investment - A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Small Business Loan - A commercial loan with an original loan amount of \$1 million or less.

Small Farm Loan - A farm loan with an original loan amount of \$500,000 or less.