

PUBLIC DISCLOSURE

November 25, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**National Bank of York County
Charter # 23063
1127 Ebenezer Road
Rock Hill, South Carolina 29732**

**Office of the Comptroller of the Currency
Southeast District, Atlanta Georgia
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of the **National Bank of York County** prepared by **The Office of the Comptroller of the Currency**, as of September 30, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

The bank's performance was reviewed for the period of July 1996 to September 1997. The bank's average loan-to-deposit ratio is satisfactory. A majority of the banks' loans and lending activities are within the bank's assessment area. The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low-and moderate-income, and businesses of different sizes.

The following table indicates the performance level of the National Bank of York County with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	NATIONAL BANK OF YORK COUNTY PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received.		

DESCRIPTION OF INSTITUTION

The National Bank of York County, headquartered in Rock Hill South Carolina, serves the communities within and surrounding York County South Carolina. The bank has one branch office which is located in Fort Mill, South Carolina.

Average assets were \$33 million as of September 30, 1997 with net loans representing 57% of assets. The loan portfolio is comprised of:

75%	Secured by real estate, construction, and home equity
15%	Commercial and industrial loans
10%	Consumer loans

The bank actively originates mortgage loans for sale in the secondary market. There are no financial or legal impediments restricting the lending activities of the bank.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is located within the Charlotte, Gastonia, Rock Hill Metropolitan Statistical Area (MSA). National Bank of York County has defined its assessment area as York County South Carolina. The bank's assessment area meets the legal requirements of the regulation and does not arbitrarily exclude any low or moderate income areas.

The assessment area contains 39 census tracts. These tracts are considered: 3 low income, 9 moderate income, 21 middle income and 6 upper income.

As of year end 1996 the population of York County was 142,400. The area continues to experience steady growth. Population has increased 12% over the last 6 years, with current growth rates of 3.5% annually. The current unemployment rate in York County is 4.3%.

One governmental and one business development representative were contacted to obtain information on community credit needs. The contacts identified affordable housing and start-up funds for small businesses as credit needs within the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

The average loan-to-deposit ratio since the operations commenced in July 1997 is good at 71%. This is above the ratio for similarly sized banks in South Carolina at 64% and slightly above the 69% loan to deposit ratio of national peer banks across the country.

Lending in the Assessment Area

A majority of the bank's lending is within its defined assessment area. Our review indicated the bank exceeds the standards for satisfactory performance with 89% of the number of loans, and 88% of the total dollar amount of loans, originated within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Loans were made to borrowers of low, moderate, middle, and upper income levels. To assess lending to borrowers of different incomes, a sample of 52 consumer loans were reviewed. This sample included instalment, home equity and mortgage loans originated from July 1996 to September 1997. A summary of findings is provided in the following chart:

Consumer Loans Within Assessment Area By Income Level			
	% of Number of Loans	% Total Loan Dollars	Composition of Assessment Area
Low	2%	< 1%	< 1%
Moderate	17%	5%	15%
Middle	39%	31%	63%
Upper	42%	63%	22%

This loan distribution is reasonable compared to the composition of the assessment area. The 1997 HUD Median Family Income level of \$47,300 was used.

The bank makes available loans of various amounts to businesses of different sizes. A loan sample of 12 commercial loans was reviewed. Loans ranging from \$44,553 to \$450,000 were made to business of different sizes for various purposes. Most loans are made to small businesses with 77% of the bank's commercial loans originated under \$100,000. Businesses range in size from \$100,000 to \$14,544,000 in annual sales.

National Bank of York County is active in mortgage lending in its communities. Since opening in July 1996 the bank has originated \$14,214,501 in mortgage loans to individuals.

The bank has provided funding for two community development loans. A loan of \$125,000 was made to establish a small business in a revitalized area of downtown Rock Hill. A second loan in the amount of \$210,000 was provided to fund the infrastructure for a single family, low-to-moderate income housing project in Fort Mill.

Geographic Distribution of Loans

Distribution of credit within the assessment area was reasonable. The bank lending penetrates all segments of the assessment area. This was determined following a review of geo-analysis prepared by external consultants. Our findings indicated that there were no loans originated in low income census tracts, 7% of the loans were made to borrowers located in moderate income census tracts, 61% to borrowers in middle income tracts, and 32% to borrowers in upper income census tracts. This loan distribution is reasonable as the bank's assessment area is comprised of 8% low, 23% moderate, 54% middle, and 15% upper income census tracts. Population is limited in the low income census tracts and only represents only 0.03% of the families living within the assessment area.

Review of Complaints

The bank has received no CRA complaints.

Other

Our fair lending review disclosed no violations of the substantive provisions of anti-discrimination laws and regulations.