

PUBLIC DISCLOSURE

December 1, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Charter Number 22104

**Summit National Bank
937 N. Pleasantburg Drive
Greenville, SC 29602**

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

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

GENERAL INFORMATION

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

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

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

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

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

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

Summit National Bank is a \$158 million institution wholly owned by Summit Financial Corporation, a one bank holding company. The institution is “well capitalized” by Prompt Corrective Action standards and there are no known financial or legal impediments that would impair the bank’s CRA performance.

The bank operates two branches with locations at N. Pleasantburg Drive and Augusta Road. Branches operate 9:00am - 5:00pm Monday - Thursday and 9:00am - 6:00pm on Friday with drive thru hours from 8:00am - 6:00pm Monday - Friday.

DESCRIPTION OF THE ASSESSMENT AREA

The bank’s primary trade area approximates a 15 square mile radius from the center of the city of Greenville. The bank’s assessment area does not arbitrarily exclude low- and moderate-income geographies. There are numerous other financial institutions which serve Greenville County, two of which are comparable to Summit National Bank.

The population of the county is 320,176 with the assessment area having 288,753 residents. The median income of the assessment area is \$36,641. The bank’s assessment area includes seventy-six of the eighty-five census tracts which make up Greenville County. Low- and moderate income census tracts account for 30% of the bank’s assessment area. Low- and moderate income individuals represent 20% of the population of the bank’s assessment area.

The high technology manufacturing and engineering industries have a significant presence in Greenville County. Fluor Daniel and BMW are two of the larger non-government employers in the area.

A CRA-related community contact was consulted to ascertain credit needs and business opportunities in the county. The primary credit needs include affordable housing loans to first time home buyers and small business loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The average loan-to-deposit ratio of 82% is excellent with respect to local economic factors and compares favorably to the 65% average ratio maintained by a local competitor of similar size and lending focus. Since 1995, the bank has made 61% of all loans to borrowers within the assessment area. A local competitor placed 80% of its loans within their assessment area based on their most recent public evaluation. In comparing the performance of both banks, it is noteworthy that the competitor designates all of Greenville County as their assessment area while Summit National Bank does not. Since 1995, Summit National Bank has made 75% of all loans to borrowers within Greenville County.

The institution has extended credit to all segments of the community including low- and moderate-

income segments. From January, 1996, through September, 1997, loans to low- and moderate-income borrowers represented 12% of all consumer loan approvals. In addition, loan originations in low- and moderate income census tracts represent 11% of all originations since 1995.

The bank's primary commercial lending focus is loans to small businesses. Small businesses are defined as companies with less than \$1MM in annual revenues. Loans to small businesses accounted for 78% of all commercial loan originations since 1995. These loans represent 62% of the dollar volume of all commercial loans originated since 1995.

Small business loans of \$100M or less make up a substantial portion of the bank's commercial portfolio.

SMALL BUSINESS ORIGINATIONS SINCE 1995				
Commercial Portfolio	#	% Loans	\$	% Dollar
Loans < \$100M	473	84%	\$10,937M	14%

There were no violations of the substantive provisions of the antidiscrimination laws and regulations identified during the examination. Management has established effective procedures to prevent discriminatory or other illegal credit practices. In addition, all applications receive a secondary review prior to any denial decisions to ensure equal treatment is afforded to all applicants. Special training sessions on each of the antidiscrimination laws are conducted annually.

There were no complaints received by the bank or the OCC.