

South Atlantic

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**COMMUNITY  
REINVESTMENT ACT**

**PUBLIC FILE**

LAST REVISION: April 2025

# **PUBLIC DISCLOSURE**

May 20, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

South Atlantic Bank  
Certificate Number: 58689

630 29<sup>th</sup> Avenue North  
Myrtle Beach, South Carolina 29577

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Atlanta Regional Office

10 10<sup>th</sup> Street NE, Suite 900  
Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- The bank originated a substantial majority of its loans in the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, poor penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income).
- The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

- Overall, the bank's community development performance demonstrates adequate responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development within its assessment areas.

## DESCRIPTION OF INSTITUTION

### Background

South Atlantic Bank is a state chartered, non-member, community bank headquartered in Myrtle Beach, Horry County, South Carolina. The bank is wholly owned by South Atlantic Bancshares, Incorporated, a one-bank holding company also located in Myrtle Beach, South Carolina. The bank does not operate a subsidiary, and there have been no changes in control of the bank or its general business strategy. South Atlantic Bank received a "Satisfactory" rating at its previous FDIC CRA Performance Evaluation, dated March 30, 2021, based on Federal Financial Institutions Examination Council's (FFIEC) Interagency Intermediate Small Institution Examination Procedures.

### Operations

South Atlantic Bank operates its main office and 11 full-service branch offices in South Carolina. Refer to *Description of Assessment Areas* for additional details regarding the offices in each assessment area. Since the previous evaluation, the bank opened a full-service branch in an upper-income census tract on Hilton Head Island, Beaufort County, South Carolina. The bank has not closed or engaged in any mergers or acquisitions since the previous evaluation.

South Atlantic Bank's lending is multi-faceted with a focus on commercial lending, followed by home mortgage lending. The bank offers a variety of commercial, home mortgage, agricultural/farm, and consumer loans. The bank also offers long-term home mortgage loans to its consumers through its lending relationships with secondary market investors. The bank provides a variety of deposit products and services including checking, savings, health savings, money market, certificate of deposit, and individual retirement accounts, as well as a debit card, direct deposit, wire transfers, notary service, and safe deposit boxes. The bank also offers credit cards through a third party.

South Atlantic Bank offers alternative delivery systems to make financial services more accessible to its customers. Specifically, the bank offers personal and business online banking, mobile banking, telephone banking, Apple Pay, and automated teller machines (ATMs). Online banking services allow customers to view account activity, transfer funds to and from their South Atlantic Bank accounts and other institutions, make loan payments, stop payments, view checks, pay bills or pay a person, and enroll in mobile banking. Mobile banking services allow customers to check account balances, view transactions, transfer funds between accounts, pay a bill or person, deposit checks with remote deposit capture, report a lost or stolen card or suspend a card, as well as view account alerts.

### Ability and Capacity

As of the March 31, 2024 Consolidated Reports of Condition and Income, South Atlantic Bank had total assets of approximately \$1.7 billion, total loans of \$1.2 billion, total deposits of \$1.3 billion, and total securities of \$297.3 million. As shown in the following table, commercial loans (loans secured by non-farm, non-residential properties and commercial and industrial loans) represent the

largest portion of the loan portfolio at 43.8 percent, followed by 1-4 family residential properties at 37.5 percent.

<b>Loan Portfolio Distribution as of 3/31/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	180,684	15.0
Secured by Farmland	1,164	0.1
Secured by 1-4 Family Residential Properties	451,004	37.5
Secured by Multifamily (5 or more) Residential Properties	36,369	3.0
Secured by Nonfarm Nonresidential Properties	456,767	37.9
<b>Total Real Estate Loans</b>	<b>1,125,988</b>	<b>93.5</b>
Commercial and Industrial Loans	70,996	5.9
Agricultural Production and Other Loans to Farmers	-	-
Consumer Loans	6,722	0.6
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	678	0.1
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	505	0.0
<b>Total Loans</b>	<b>1,203,879</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial or legal impediments, other than legal lending limits, that would affect South Atlantic Bank's ability to meet the credit needs of its assessment areas.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which to evaluate its CRA performance. South Atlantic Bank designated four assessment areas in South Carolina. The bank-wide assessment area consists of seven counties in their entirety. The Myrtle Beach Assessment Area consists of Horry County, which comprises the Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina Metropolitan Statistical Area (MSA). The Charleston Assessment Area consists of the Charleston-North Charleston, South Carolina MSA, which includes Berkeley, Charleston, and Dorchester Counties. The Hilton Head Assessment Area consists of the Hilton Head Island-Bluffton, South Carolina MSA, which is comprised of Beaufort and Jasper Counties. The Non-MSA Assessment Area consists of Georgetown County, which is located in a Non-MSA portion of South Carolina.

The demographic composition of the assessment areas changed following the release of the 2020 United States (U.S.) Census data released by the FFIEC in April 2022. This data updated the 2015 American Community Survey (ACS) with information collected from 2015 through 2020, leading to demographic and income classification changes that affected the bank's assessment areas. On January 1, 2023, the bank expanded its Myrtle Beach Assessment Area to include all census tracts in Horry County, previously comprising 48 of 72 coastal geographies. Further, on January 1, 2023, the bank added Dorchester County to its Charleston Assessment Area. These changes resulted significantly increased the number of census tracts in the bank-wide assessment area.

The following tables detail the counties, number of census tracts, and offices in each assessment area by year. Refer to the *Description of Institution's Operations* section in each assessment area section of this performance evaluation for additional information.

<b>Description of Assessment Areas in 2021</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Branch Offices</b>
Myrtle Beach Assessment Area	Horry	48	4
Hilton Head Assessment Area	Beaufort and Jasper	46	3
Non-MSA Assessment Area	Georgetown	15	2
Charleston Assessment Area	Charleston and Berkeley	131	2
<b>Total</b>		<b>240</b>	<b>11</b>

*Source: 2015 ACS Data and Bank Data.*

<b>Description of Assessment Areas in 2022</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Branch Offices</b>
Myrtle Beach Assessment Area	Horry	51	4
Hilton Head Assessment Area	Beaufort and Jasper	50	4
Non-MSA Assessment Area	Georgetown	21	2
Charleston Assessment Area	Charleston and Berkeley	147	2
<b>Total</b>		<b>269</b>	<b>12</b>

*Source: 2020 U.S. Census Data and Bank Data.*

<b>Description of Assessment Areas in 2023</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Branch Offices</b>
Myrtle Beach Assessment Area	Horry	78	4
Hilton Head Assessment Area	Beaufort and Jasper	50	4
Non-MSA Assessment Area	Georgetown	21	2
Charleston Assessment Area	Charleston, Berkeley, and Dorchester	178	2
<b>Total</b>		<b>327</b>	<b>12</b>

*Source: 2020 U.S. Census Data and Bank Data.*

## **SCOPE OF EVALUATION**

### **General Information**

The evaluation covers the period from the previous evaluation dated March 30, 2021, to the current evaluation dated May 20, 2024. Examiners used the Interagency Intermediate Small Institutions Examination Procedures to evaluate the bank's CRA performance. These procedures include the Small Bank Lending Test and the Community Development Test, as described in the *Appendices*.

Full-scope analyses were conducted for the Myrtle Beach and Hilton Head Assessment Areas given the number and dollar volume of lending activity, as well as branching activity. Examiners conducted limited-scope analyses for the Non-MSA and Charleston Assessment Areas, as the bank's lending in these assessment areas is considerably less in comparison to the Myrtle Beach Assessment Area. Further, the volume of lending in these two assessment areas has not changed significantly since the previous evaluation.

Examiners evaluated the bank's lending data, deposit activity, and number of offices to determine relative weighting of the assessment areas in the overall conclusion. The most weight was given to activities in the Myrtle Beach Assessment Area, because it encompasses the majority of loans and deposits. The Hilton Head, Non-MSA and Charleston Assessment Areas followed in terms of overall weighting. The following table details the breakdown of loans, deposits, and branch offices by assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Offices</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Offices</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Myrtle Beach Assessment Area	300,999	47.7	641,925	50.0	4	33.3
Hilton Head Assessment Area	142,768	22.6	225,059	17.5	4	33.3
Non-MSA Assessment Area	93,565	14.8	283,286	22.0	2	16.7
Charleston Assessment Area	93,369	14.8	135,419	10.5	2	16.7
<b>Total</b>	<b>630,701</b>	<b>100.0</b>	<b>1,285,689</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>
<i>Source: 2021, 2022, and 2023 HMDA Data, 2023 Small Business Bank Data, and FDIC Summary of Deposits as of June 30, 2023</i>						

**Activities Reviewed**

The CRA regulation requires a review of an institution's lending performance within its defined assessment area(s) with respect to small business, home mortgage, and small farm lending, if significant. Based on bank records, examiners determined the major product lines are small business and home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Farm loans do not constitute a substantial portion of the bank's loan portfolio or represent a major product focus. As a result, examiners did not analyze farm loans during the evaluation period. The bank's records indicate that the lending focus and product mix remained relatively consistent throughout the evaluation period.

The evaluation included an analysis of the universe of home mortgage loans reported on the bank's 2021, 2022, and 2023 Home Mortgage Disclosure (HMDA) Loan Application Registers (LARs). During 2021, the bank originated 769 loans totaling \$295.6 million. During 2022, the bank originated 415 loans totaling \$196.4 million. During 2023, the bank 204 loans totaling \$155.0 million. Examiners did not identify trends from 2021 to 2023 that would materially affect conclusions. Therefore, only 2022 home mortgage loan performance is presented, as it is the most recent calendar year with available aggregate HMDA data. However, any observed anomalies are discussed under the *Geographic Distribution* and *Borrower Profile* performance for each assessment area, as applicable. In addition to aggregate HMDA data, the 2015 American



Community Survey (ACS) Census and 2020 U.S. Census data (owner-occupied housing units by geography and the distribution of families by income level) provided a standard of comparison for home mortgage loans.

The evaluation also included an analysis of small business loans, as defined in the Glossary, originated from January 1, 2023 through December 31, 2023. Examiners evaluated the universe of 311 small business loans totaling \$55.5 million in the *Assessment Area Concentration* and *Geographic Distribution* analyses. Since revenue information was not readily available, examiners sampled and evaluated 156 small business loans totaling \$30.7 million in the *Borrower Profile* analysis. Examiners determined, and management agreed, that calendar year 2023 was representative of small business loans originated during the evaluation period. Dun & Bradstreet (D&B) data for 2023 provided a standard of comparison for the small business loans.

For the Lending Test, examiners gave more weight to home mortgage loans due to the higher number of loans originated during the review period when compared to small business loans. For both loan products reviewed, the Geographic Distribution and Borrower Profile criteria analyses focused only on loans originated inside the assessment areas. While this evaluation presents both the number and dollar volume of loans, the analyses focused on the number of loans rather than dollar volume, as it is a better indicator of the number of businesses and individuals served.

For the Community Development Test, examiners reviewed information provided by bank management on community development loans, qualified investments, and community development services from March 30, 2021 through May 20, 2024. Qualified investments included a new investment and donations. There were no prior period-qualified investments still held by the bank.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

South Atlantic Bank demonstrated satisfactory performance under the Lending Test. The reasonable net loan-to-deposit (NLTLD) ratio, majority of lending within the assessment areas, reasonable geographic distribution, and reasonable borrower profile performance support this conclusion. In addition, there were no CRA-related complaints received since the previous evaluation.

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

South Atlantic Bank's NLTLD ratio is reasonable given its size, financial condition, and credit needs of the assessment areas. The bank's NLTLD ratio averaged 76.6 percent over the 13 calendar quarters since the previous evaluation. During this period, the quarterly NLTLD ratio ranged from a low of 64.7 percent, as of March 31, 2022, to a high of 89.9 percent, as of December 31, 2023. Examiners identified two similarly situated institutions based on asset size, geographic location, and/or lending focus. Examiners compared the bank's average NLTLD ratio to these institutions to evaluate the bank's performance. As shown in the following table, South Atlantic Bank's average NLTLD ratio over the previous 13 calendar quarters is comparable or higher to the similarly situated institutions.

Loan-to-Deposit Ratio Comparison			
Bank	Total Assets as of 3/31/2024		Average Net LTD Ratio
	\$(000s)		%
South Atlantic Bank	1,667		76.6
Similarly Situated Institution #1	1,765		42.1
Similarly Situated Institution #2	2,050		79.0
Source: Reports of Condition and Income, March 31, 2021 through March 31, 2024			

### Assessment Area Concentration

South Atlantic Bank originated a majority of its home mortgage and a substantial majority of small business loans by number and dollar volume within the assessment areas. The following table details the bank's small business and home mortgage lending performance by product type, number, and dollar volume.

Lending Inside and Outside of the Assessment Areas											
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2021	669	87.0	100	13.0	769	260,011	88.0	35,558	12.0	295,569	
2022	350	84.3	65	15.7	415	168,166	85.6	28,229	14.4	196,395	
2023	189	92.6	15	7.4	204	150,466	97.1	4,550	2.9	155,016	
<b>Subtotal</b>	<b>1,208</b>	<b>87.0</b>	<b>180</b>	<b>13.0</b>	<b>1,388</b>	<b>578,643</b>	<b>89.4</b>	<b>68,337</b>	<b>10.6</b>	<b>646,980</b>	
Small Business											
2023	294	94.5	17	5.5	311	52,059	93.9	3,405	6.1	55,464	
Source: 2021, 2022, and 2023 HMDA Reported Data and January 1, 2023 through December 31, 2023 (2023) Small Business Bank Data											

### Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Performance is consistent throughout the assessment areas. Refer to the *Geographic Distribution* section within each assessment area for further details.

### Borrower Profile

Overall, the distribution of loans reflects poor penetration among individuals of different income levels and businesses of different sizes. With the exception of the Non-MSA Assessment Area performance is consistent throughout the assessment areas. The Non-MSA Assessment Area demonstrated reasonable penetration. Refer to the *Borrower Profile* sections of each assessment area for further details.

**Response to Complaints**

The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this criterion did not affect the Lending Test rating.

**COMMUNITY DEVELOPMENT TEST**

Overall, South Atlantic Bank's community development performance demonstrated adequate responsiveness and leadership to community development needs in its assessment areas through community development loans, qualified investments, and community development services. This conclusion is supported by adequate performance in the Myrtle Beach and Non-MSA Assessment Areas, as well as investments made statewide that benefited all assessment areas. Examiners considered the bank's capacity and the need and availability of such opportunities for community development in its assessment areas.

**Community Development Loans**

During the evaluation period, the bank originated, renewed, or refinanced 75 community development loans totaling \$22.4 million, compared to 51 community development loans totaling \$14.9 million at the previous evaluation. Based on dollar volume, this level of community development lending represents 1.9 percent of net loans and 1.3 percent of total assets, as of March 31, 2024. At the previous evaluation, the percentages were 2.1 percent of net loans and 1.6 percent of total assets. The 75 community development loans included 57 Small Business Administration (SBA) Paycheck Protection Program loans totaling \$2.4 million. The majority of the community development loans benefitted the Myrtle Beach Assessment Area by dollar volume. The community development loans primarily supported economic development. The following tables detail the community development lending activity by purpose and year and by assessment area and year during the evaluation period.

<b>Community Development Lending by Year</b>										
<b>Activity Year*</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2021	2	980	-	-	52	1,752	5	691	<b>59</b>	<b>3,423</b>
2022	1	1,155	2	2,687	1	275	3	6,485	<b>7</b>	<b>10,602</b>
2023	1	1,187	3	817	3	4,004	1	390	<b>8</b>	<b>6,398</b>
2024	1	2,000	-	-	-	-	-	-	<b>1</b>	<b>2,000</b>
<b>Total</b>	<b>5</b>	<b>5,322</b>	<b>5</b>	<b>3,504</b>	<b>56</b>	<b>6,031</b>	<b>9</b>	<b>7,566</b>	<b>75</b>	<b>22,423</b>
<i>Source: Bank Data</i>										
<i>*March 30, 2021 through May 20, 2024</i>										

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Myrtle Beach Assessment Area	-	-	3	3,188	27	1,664	4	5,861	34	10,713
Hilton Head Assessment Area	1	180	-	-	5	65	-	-	6	245
Non-MSA Assessment Area	-	-	-	-	16	609	1	6	17	615
Charleston Assessment Area	4	5,142	2	316	8	3,693	4	1,699	18	10,850
<b>Total*</b>	<b>4</b>	<b>5,322</b>	<b>5</b>	<b>3,504</b>	<b>56</b>	<b>6,031</b>	<b>9</b>	<b>7,566</b>	<b>75</b>	<b>22,423</b>

*Source: Bank Data, from March 30, 2021, through May 20, 2024*

Refer to the *Community Development Test* section of each assessment area for further details of the community development loans.

### **Qualified Investments**

During the evaluation period, the bank made 44 qualified investments, which includes grants and donations, totaling approximately \$12.3 million in the assessment areas. As of March 31, 2024, total qualified investments equated to 0.7 percent of total assets and 3.9 percent of total securities. These levels increased from 0.4 percent of total assets and 3.3 percent of total securities noted at the previous evaluation. South Atlantic Bank's qualified investments demonstrate adequate responsiveness to opportunities for such investments. The bank's investments are comprised of 2 mortgage-backed securities, 1 revenue bond, 1 certificate of deposit, and 38 donations. The bank primarily provided donations to organizations that offer services to low- and moderate-income individuals and families. The following tables detail the qualified investments by activity purpose and year and by assessment area and purpose.

Qualified Investments by Year										
Activity Year*	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	2	6,741	-	-	1	1,017	-	-	3	7,758
2022	-	-	-	-	1	1,017	-	-	1	1,017
2023	-	-	-	-	-	-	-	-	-	-
2024	1	2,549	-	-	1	890	-	-	2	3,439
<b>Subtotal</b>	<b>3</b>	<b>9,290</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>2,924</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>12,214</b>
Qualified Grants & Donations	4	2	32	39	-	-	2	10	38	51
<b>Total</b>	<b>7</b>	<b>9,292</b>	<b>32</b>	<b>39</b>	<b>3</b>	<b>2,924</b>	<b>2</b>	<b>10</b>	<b>44</b>	<b>12,265</b>

*Source: Bank Data*  
*\*From March 30, 2021 through May 20, 2024*

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Myrtle Beach Assessment Area	1	1	12	20	1	890	2	10	16	921
Charleston Assessment Area	1	1,741	6	8	-	-	-	-	7	1,749
Hilton Head Assessment Area	-	-	5	7	-	-	-	-	5	7
Non-MSA Assessment Area	3	1	7	3	-	-	-	-	10	4
Statewide	2	7,549	2	1	2	2,034	-	-	6	9,584
<b>Total*</b>	<b>7</b>	<b>9,292</b>	<b>32</b>	<b>39</b>	<b>3</b>	<b>2,924</b>	<b>2</b>	<b>10</b>	<b>44</b>	<b>12,265</b>

*Source: Bank Data from March 30, 2021, through May 20, 2024*

The following are examples of qualified investments made during the evaluation period that benefitted all or multiple assessment areas:

- In 2024, the bank invested \$2.5 million in a Federal Home Loan Mortgage Corporation mortgage-backed security. All underlying home mortgage loans associated with the mortgage-backed security were extended to low- and moderate-income borrowers. The borrowers resided in the Myrtle Beach, Charleston, and Hilton Head Assessment Areas.
- In 2021, the bank invested \$5.0 million in a note for a Community Development Financial Institution (CDFI) that originates home mortgage loans for low- and moderate-income borrowers. The bank earmarked the funds for use in all of the bank's assessment areas.
- In 2021, the bank renewed a \$1.0 million certificate of deposit (CD), including interest earned, at a minority-owned financial institution that is also a CDFI. In 2022, the bank renewed the \$1.0 million CD, along with interest earned.

Refer to the *Community Development Test* section of each assessment area for further details of the qualified investments.

### **Community Development Services**

During the evaluation period, employees acting as representatives of South Atlantic Bank provided 74 community development services to various organizations. The representatives provided financial expertise or technical assistance to community organizations that provide services to low- and moderate-income individuals/families and small businesses. The level of community development services provided by the bank has increased since the previous examination, where bank representatives provided 37 community development services.

Overall, although not innovative, the community development services demonstrate adequate responsiveness to the opportunities for such services. A substantial majority (86.4 percent) of the community development services benefitted the Myrtle Beach and Hilton Head Assessment Areas,

while 5.4 percent and 2.7 percent, benefitted the Charleston and Non-MSA Assessment Areas, respectively. Moreover, four of 74 community development services benefitted multiple assessment areas. The following table details community development services by year and purpose and by assessment area and purpose.

Community Development Services by Year					
Activity Year*	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2021	1	10	4	1	16
2022		8	1	-	9
2023	14	25	1	1	41
2024	-	8	-	-	8
<b>Total</b>	<b>15</b>	<b>51</b>	<b>6</b>	<b>2</b>	<b>74</b>

Source: Bank Data

\*From March 30, 2021 through May 20, 2024

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Myrtle Beach Assessment Area	14	16	3	1	34
Charleston Assessment Area	1	3	-	-	4
Hilton Head Assessment Area	-	27	3	-	30
Non-MSA Assessment Area	-	1	-	1	2
Statewide Activities	-	4	-	-	4
<b>Total</b>	<b>15</b>	<b>51</b>	<b>6</b>	<b>2</b>	<b>74</b>

Source: Bank Data

The following are examples of a statewide community development service provided during the evaluation period.

- A bank employee serves as treasurer for a non-profit organization that promotes community services. The organization provides financial assistance with medical cost for low- and moderate-income individuals in Georgetown and Horry Counties.
- A bank employee serves on the finance committee of a technical college. The committee reviews investments, portfolio asset allocation, and scholarships. More than 85.0 percent of the student body relies on financial aid with over 50.0 percent qualifying for the Federal Pell Grant, which specifically assists low- and moderate-income students and families in Georgetown and Horry Counties.
- A bank employee assisted with providing technical assistance for fund raising activities for a non-profit organization that offers a youth leadership development program for students from

low- and moderate-income areas in Horry and Georgetown Counties.

In addition, the bank offers the following retail products and banking services to assist low- and moderate-income individuals and small businesses.

The bank offers a personal checking account with no minimum balance requirement, no monthly service charge, unlimited check writing, and a \$100 minimum opening deposit requirement. This account also offers account holders two free non-South Atlantic Bank ATM withdrawals per statement cycle.

- The bank offers a personal checking account with no minimum balance requirement, \$5 monthly fee, unlimited check writing, and a \$25 minimum opening deposit requirement.
- The bank offers free small business checking that has no minimum balance requirement, no monthly maintenance fees, and no item charges for account activity (debits, credits, and deposits) that does not exceed 200 items per month.
- The bank provides free notary service for account holders, which particularly benefits low- and moderate-income individuals.
- The bank maintains Interest on Lawyers Trust Accounts (IOLTAs). The interest earned by law firms on the IOLTAs are used to fund pro bono legal services for low- and moderate-income individuals who cannot afford to pay for legal services.

In addition, the bank delivers retail products and services to low- or moderate-income individuals through two or 16.7 percent of its branch offices located in moderate-income census tracts. Refer to the *Community Development Test* section of each assessment area for further details of community development services.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices. Therefore, this consideration did not affect the bank's overall CRA rating.

## MYRTLE BEACH ASSESSMENT AREA — Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MYRTLE BEACH ASSESSMENT AREA

The Myrtle Beach Assessment Area consists of Horry County in its entirety, which is part of the Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina MSA. South Atlantic Bank operates four full-service, or 33.3 percent, of its offices in the assessment area. The main office is located in a moderate-income census tract, the Murrells Inlet and Towne Centre branch offices are located in a middle-income census tract, and the North Myrtle Beach branch office is located in an upper-income census tract. All of the offices offer non-depository ATMs and drive-through facilities. This assessment area accounts for 47.8 percent of total loans and 50.0 percent of bank-wide deposits.

#### Economic and Demographic Data

The following tables present the geographical changes in the assessment area that occurred during the evaluation period.

Assessment Area	County in Assessment Area	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)	# of Branches
Myrtle Beach Assessment Area	Horry	48	51	78	4

*Source: 2015 ACS Data, 2020 U.S. Census Data, and Bank Data*

Tract Income Level	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)
Low	2	2	3
Moderate	5	7	15
Middle	31	29	46
Upper	8	13	13
Income Not Assigned	2	-	7
<b>Total</b>	<b>48</b>	<b>51</b>	<b>78</b>

*Source: 2015 ACS Data and 2020 U.S. Census Data*

The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B data.



<b>Demographic Information of the Myrtle Beach Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	78	3.8	19.2	59.0	16.7	1.3
Population by Geography	351,029	3.6	20.4	62.9	13.2	-
Housing Units by Geography	210,354	2.7	15.8	59.2	22.4	-
Owner-Occupied Units by Geography	100,572	1.9	16.6	65.6	15.9	-
Occupied Rental Units by Geography	35,647	6.6	29.2	52.7	11.4	-
Vacant Units by Geography	74,135	1.8	8.2	53.5	36.5	-
Businesses by Geography	54,470	6.8	19.5	54.3	19.4	-
Farms by Geography	1,455	3.4	19.2	65.6	11.8	-
Family Distribution by Income Level	86,930	21.2	19.2	21.8	37.8	-
Household Distribution by Income Level	136,219	23.64	17.7	19.9	38.8	-
Median Family Income: Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina MSA	\$65,152	Median Housing Value Median Gross Rent Families Below Poverty Level			\$206,100 \$989 9.7%	
<i>Source: 2020 U.S. Census, 2023 D&amp;B Data, and FFIEC Median Family Income</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.</i>						

According to the Bureau of Labor Statistics, unemployment rates for the county declined during the evaluation period. Unemployment rates exceeded the state and national rates across all years. The following table reflects the average annual unemployment rates and trends for the county in the assessment area, state, and nation by year.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Horry County	4.1	3.9	3.8
State of South Carolina	3.3	3.1	3.0
National Average	3.9	3.5	3.7
<i>Source: Bureau of Labor Statistics and St. Louis Federal Reserve Economic Data (FRED)</i>			

The analysis of small business loans under the *Borrower Profile* criterion compares the distribution of businesses by gross annual revenues. According to the 2023 D&B data, gross annual revenues for non-farm businesses are 92.7 percent with \$1 million or less, 1.6 percent with more than \$1 million, and 5.7 percent with unknown revenues. Top industries in this assessment area are services, followed by non-classifiable establishments, finance, insurance, and real estate, retail trade, and construction. In addition, 60.4 percent of the businesses in the assessment area have four or fewer employees, and 94.8 percent operate from a single location. Top employers throughout the assessment area include Horry County School District, Coastal Carolina University, Horry County Government, Conway Medical Center, and McLeod Loris Seacoast.

Examiners used the FFIEC's median family income data to analyze the bank's home mortgage lending under the *Borrower Profile* criterion. The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the Myrtle Beach Assessment Area.

<b>Median Family Income Ranges</b> <b>Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$77,500)	<\$38,750	\$38,750 to <\$62,000	\$62,000 to <\$93,000	≥\$93,000
<i>Source: FFIEC</i>				

**Competition**

The assessment area is highly competitive in the financial services market. According to the FDIC's June 30, 2023 *Summary of Deposits Report*, there are 20 FDIC-insured financial institutions operating 106 offices in this assessment area. Of these institutions, South Atlantic Bank ranked 7th and held a deposit market share of 5.9 percent. The top five financial institutions accounted for 50.1 percent of the deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022 (most recent aggregate performance data available), 623 lenders reported 20,422 home mortgage loans originated or purchased totaling \$5.4 billion. Of these lenders, South Atlantic Bank ranked 28<sup>th</sup> with a market share of 1.1 percent by number of loans. The top five lenders accounted for 19.7 percent market share by number of loans.

South Atlantic Bank is not required to collect or report its small business loan data and has not elected to do so. Therefore, the analysis of small business loans under the *Lending Test* does not include comparisons against aggregate data. The aggregate data, however, reflects the level of demand for small business loans and is relevant to understand the level of competition in the bank's assessment area. Regarding the competition level for small business loans, aggregate data for 2022, which is the data that is most recently available, indicates 96 lenders reported 12,060 small business loans totaling \$410.3 million in the assessment area, which demonstrates a high level of competition. The top five small business lenders accounted for 56.5 percent of total market share by number of loans.

**Community Contact**

As part of the evaluation process, examiners contact third parties or use recent interviews of community contacts conducted within the assessment area to gain insight regarding local economic conditions and to assist in the identification of credit needs. This information helps identify credit and community development needs and whether local financial institutions are responsive to those opportunities.

During this evaluation, examiners used a recent community contact conducted with someone that works for an affordable housing organization in Horry County. The contact stated the needs in the area include small business financing and affordable housing. In addition, the contact stated that the service and hospitality industries are the major source of employment; however, these industries pay lower wages and employ individuals with lower education levels. Therefore, the contact stated that financial institutions could provide financial literacy to educate more individuals in the assessment area, specifically first-generation college students.

### **Credit and Community Development Needs and Opportunities**

Considering demographic and economic data, as well as the community contact information, examiners determined that small business loans and affordable housing represent primary credit needs and opportunities within the assessment area. The significant percentage of businesses with gross annual revenues of \$1 million or less (92.7 percent) and the large number of businesses with four or fewer employees (60.4 percent) support the conclusion that there is a need for small business lending. Affordable housing also represents a need, as 40.4 percent of families and 37.6 percent of households are low- or moderate-income. Additionally, the median housing value of \$206,100 compared to the median family income of \$65,152 annually also indicates a need for affordable housing.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MYRTLE BEACH ASSESSMENT AREA**

### **LENDING TEST**

South Atlantic Bank's lending performance within the Myrtle Beach Assessment Area is satisfactory. The bank's reasonable geographic distribution and borrower profile performance support this conclusion.

#### **Geographic Distribution**

The geographic distribution of the loans reflects reasonable dispersion throughout the assessment area.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank's performance in low-income census tracts slightly exceeded aggregate performance data and was in line with demographic data. Within the moderate-income census tracts, home mortgage lending was below, but remained comparable to aggregate performance and demographic data. The following table reflects the distribution of home mortgage loans within the assessment area.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	1.5	1.0	3	1.6	560	0.7
Moderate	12.1	9.7	14	7.4	4,349	5.5
Middle	64.1	65.0	116	61.7	43,379	54.7
Upper	22.3	24.4	55	29.3	30,983	39.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>188</b>	<b>100.0</b>	<b>79,271</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, 2022 HMDA Reported Data and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Small business lending in the low-income census tracts almost doubled demographic data. Within moderate-income geographies, lending dispersion was below demographic data, but considered within a reasonable range. The following table reflects the distribution of small business loans within the assessment area.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	6.8	19	13.0	1,970	7.8
Moderate	19.5	20	13.7	4,667	18.5
Middle	54.3	75	51.4	12,717	50.4
Upper	19.4	32	21.9	5,877	23.3
<b>Total</b>	<b>100.0</b>	<b>146</b>	<b>100.0</b>	<b>25,231</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and 2023 Small Business Bank Data</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among business of different sizes and individuals of different income levels.

### ***Home Mortgage Loans***

The distribution of home mortgage loans reflects poor penetration among borrowers of different income levels. Home mortgage lending to low-income borrowers was significantly below aggregate performance and demographic data. Lending to moderate-income borrowers was significantly below aggregate performance and demographic data. The following table reflects the dispersion of home mortgage to borrowers of different income levels.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	19.5	5.2	1	0.5	90	0.1
Moderate	18.9	14.6	16	8.5	3,017	18
Middle	21.3	19.8	23	12.2	6,305	8.0
Upper	40.3	45.2	125	66.5	62,714	79.1
Income Not Available	0.0	15.3	23	12.2	7,145	9.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>188</b>	<b>100.0</b>	<b>79,271</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census Data; Bank Data, and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Lending to small businesses was significantly below demographic data. However, given the level of competition within the assessment area, performance is considered reasonable. The following tables reflect the distribution of small business loans among businesses of different sizes and the distribution of small business loans by loan amount.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤ \$1,000,000	92.7	37	45.1	4,846	38.7
> \$1,000,000	1.7	35	42.7	7,516	60.1
Revenue Not Available	5.7	1	1.2	150	1.2
<b>Total</b>	<b>100.0</b>	<b>73</b>	<b>100.0</b>	<b>12,512</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; 2023 Small Business Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

Further, as noted in the following table, examiners conducted an analysis of the small business loans by loan amount as a proxy. The analysis by loan amount illustrates the bank's willingness to lend to small businesses. Specifically, 75.4 percent of the sampled small business loans were in amounts under \$250,000.

<b>Distribution of Small Business Loans by Loan Amount</b>				
<b>Loan Amount</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	37	50.7	1,529	12.2
\$100,000 - \$249,999	18	24.7	2,606	20.8
\$250,000 - \$499,999	11	15.1	3,588	28.7
\$500,000 - \$1,000,000	7	9.5	4,789	38.3
<b>Total</b>	<b>73</b>	<b>100.0</b>	<b>12,512</b>	<b>100.0</b>
<i>Source: 2023 Small Business Bank Data</i>				

## **COMMUNITY DEVELOPMENT TEST**

South Atlantic Bank's community development performance demonstrates adequate responsiveness to the community development needs in the Myrtle Beach Assessment Area through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

### **Community Development Loans**

The bank originated 34 community development loans totaling \$10.7 million in the assessment area, which increased from the previous evaluation when three loans were originated totaling \$2.5 million. This activity represents 45.3 percent by number and 47.8 percent by dollar volume of the total community development loans originated during the evaluation period. Community development loans promoted economic development, revitalization/stabilization, and community services. The following are examples of community development loans originated during the evaluation period in the assessment area.

- In 2021, the bank originated 28 paycheck protection program (PPP) loans totaling \$1.4 million to businesses located inside the assessment area. Of the 28 PPP loans, 25 loans totaling \$1.2 million supported economic development and three loans totaling \$271.6 thousand supported revitalization and stabilization of low- and moderate-income areas.
- In 2022, the bank originated a loan totaling \$5.5 million to purchase a commercial property in a low-income census tract. The business operates in an area designated as an Entertainment Zone by the Myrtle Beach Downtown Redevelopment Corporation, which helps to revitalize and stabilize the neighborhood.
- In 2023, the bank originated one loan totaling \$2.5 million to a non-profit entity that provides transitional housing to low- and moderate-income individuals and families in Horry County. The loan proceeds are for improvements to the organization's main housing facility.

## **Qualified Investments**

During the evaluation period, the bank made 16 qualified investments totaling approximately \$921,500, which decreased from 17 qualified investments totaling \$1 million at the previous evaluation. Qualified investments. This level of investments represents 39.0 percent by number and 17.6 percent by dollar volume of the total qualified investments made during the evaluation period. The following are examples of qualified investments made during the evaluation period in the assessment area.

- In 2022, the bank donated a total of \$5,000 to a non-profit, public-private partnership in support of the origination of a five-year strategic initiative designed to attract new businesses in low-and moderate-income geographies. The donation supports revitalization/stabilization of low-and moderate-income geographies.
- In 2023, the bank donated a total of \$7,000 to a non-profit organization that provides transitional housing and financial counseling to low- and moderate-income individuals and families. The donation supports community services for the low- and moderate-income populace.
- In 2024, the bank purchased a hospital revenue bond totaling \$890,000, issued by the South Carolina Jobs-Economic Development Authority. The purchase promotes economic development through job creation and retention.

## **Community Development Services**

Bank employees acting as representatives of South Atlantic Bank provided 34 instances of financial expertise or technical assistance to various organizations in the assessment area, which increased from the previous evaluation when there were 25 instances. This level of services to the assessment area represents 45.9 percent of the total community development services during the evaluation period. The following are examples of community development services provided during the evaluation period.

- A bank employee serves as a board member of the Chamber of Commerce, which promotes economic development by attracting new businesses and creating and retaining permanent jobs. The employee provides financial expertise as the chamber strives to promote a positive business climate regionally, while providing leadership development in the county.
- A bank employee provided financial literacy training to students in a school within the assessment area where 67.0 percent of the students receive free or reduced lunch.
- Bank employee provided financial literacy training to a non-profit organization that hires and trains low- and moderate-income individuals in the assessment area.

## HILTON HEAD ASSESSMENT AREA - Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE HILTON HEAD ASSESSMENT AREA

The Hilton Head Assessment Area consists of Beaufort and Jasper Counties in their entirety, which comprises the Hilton Head Island-Bluffton, South Carolina MSA. South Atlantic Bank operates four full-service branch offices or 33.3 percent and one limited-service drive-through office in the assessment area. The Bluffton and Beaufort offices are located in a middle-income census tract and the Hilton Head — The Bluffton and Hilton Head — Main Street offices offer ATMs and drive-through facilities. This assessment area accounts for 22.6 percent of total loans and 17.5 percent of bank-wide deposits.

#### Economic and Demographic Data

The following tables present geographical changes in the assessment area during the evaluation period.

Assessment Area	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)	# of Branches
Hilton Head Assessment Area	46	50	50	4
<i>Source: 2015 ACS Data, 2020 U.S. Census Data, and Bank Data.</i>				

Tract Income Level	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)
Low	-	2	2
Moderate	15	11	11
Middle	16	18	18
Upper	13	16	16
Income Not Assigned	2	3	3
<b>Total</b>	<b>46</b>	<b>50</b>	<b>50</b>
<i>Source: 2015 ACS Data and 2020 U.S. Census Data.</i>			

The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B data.



<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	50	4.0	22.0	36.0	32.0	6.0
Population by Geography	215,908	3.6	22.1	50.0	23.4	0.9
Housing Units by Geography	113,293	3.1	18.3	44.5	34.0	-
Owner-Occupied Units by Geography	63,418	3.1	17.6	49.5	29.9	-
Occupied Rental Units by Geography	21,537	4.6	30.9	50.1	14.4	-
Vacant Units by Geography	28,338	2.1	10.4	29.2	58.3	-
Businesses by Geography	39,522	4.1	14.4	48.1	33.3	0.1
Farms by Geography	1,023	6.2	21.4	52.2	20.2	-
Family Distribution by Income Level	57,952	21.0	17.6	20.8	40.6	-
Household Distribution by Income Level	84,955	23.2	16.9	18.4	41.5	-
Median Family Income MSA: Hilton Head Island- Bluffton, South Carolina MSA		\$79,770	Median Housing Value Median Gross Rent Families Below Poverty Level			\$335,941 \$1,270 7.3%

*Source: 2015 ACS Data, 2023 D&B Data, and FF!EC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to the Bureau of Labor Statistics, unemployment rates for the counties declined or were in line with the previous year during the evaluation period. Unemployment rates were lower or in line with state and national rates across all years. The following table reflects the average annual unemployment rates and trends for the counties in the assessment area, state, and nation.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Beaufort County	2.9	3.0	2.9
Jasper County	2.9	2.7	2.8
South Carolina	3.3	3.1	3.0
National Average	3.9	3.5	3.7

*Source: Bureau of Labor Statistics and FRED.*

According to the 2023 D&B data, gross annual revenues for the non-farm businesses are 93.3 percent with \$1 million or less, 1.8 percent with more than \$1 million, and 4.9 percent with unknown revenues. Moreover, in 2023, top industries in this assessment area were services (31.2 percent), followed by non-classifiable establishments (29.5 percent), and finance, insurance and real estate (11.5 percent). Retail trade, construction, transportation/communication, and various other sectors make up the remaining percentages. In addition, 60.0 percent of the businesses in the assessment area have four or fewer employees, and 95.6 percent operate from a single location. Top area employers in the Hilton Head Assessment Area include Department of Defense, Beaufort County School District, County of Beaufort, Marriott Resorts Hospitality Corp., and Sonesta International Hotels Corp.

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the Hilton Head Assessment Area.

<b>Median Family Income Ranges Hilton Head Island-Bluffton, South Carolina MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$94,600)	<\$47,300	\$47,300 to <\$75,680	\$75,680 <\$113,520	>\$113,520
<i>Source: FFIEC</i>				

## **Competition**

The assessment area is highly competitive in the financial services market. According to the FDIC's June 30, 2023 *Summary of Deposits Report*, there are 20 financial institutions operating 56 offices in this assessment area. Of the institutions, South Atlantic Bank ranked 9<sup>th</sup> and held a deposit market share of 3.2 percent. The top five financial institutions accounted for 70.1 percent of the deposit market share.

There is a high level of competition for home mortgage loans among the banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022, 535 institutions reported 10,751 home mortgage loans originated or purchased totaling \$4.4 billion. Of these lenders, South Atlantic Bank ranked 55<sup>th</sup> with a market share of 0.4 percent by number of loans. The top five institutions accounted for 24.2 percent market share by number of loans.

Regarding the competition for small business loans, aggregate data for 2022 indicates 92 institutions reported 6,675 small business loans totaling \$226.7 million in the assessment area, indicating a high degree of competition. The top five institutions account for 57.9 percent of the small business market share by number of loans.

## **Credit and Community Development Needs and Opportunities**

Considering demographic and economic data, as well as the community contact information, examiners determined that small business loans and affordable housing represent primary credit needs and opportunities within the assessment area. The significant percentage of businesses within gross revenues of \$1 million or less (93.3 percent) and the large number of businesses with four or fewer employees (60.0 percent) support the conclusion that there is a need for small business lending. Affordable housing represents a need, as 38.6 percent of families and 40.1 percent of households are low- or moderate-income. Additionally, the median housing value of \$335,941 compared to the median family income of \$94,600 annually indicates a need for affordable housing.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE HILTON HEAD ASSESSMENT AREA

### LENDING TEST

South Atlantic Bank's lending performance within the Hilton Head Assessment Area is satisfactory. The bank's reasonable geographic distribution and borrower profile performance support this conclusion.

### Geographic Distribution

The geographic distribution of the loans reflects reasonable dispersion throughout the assessment area.

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any home mortgage loans in the low-income census tracts; however, aggregate performance and demographic data indicate limited opportunities in these census tracts. Home mortgage lending in moderate-income census tracts was below demographic data, but slightly exceeded aggregate performance. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	1.6	-	-	-	-
Moderate	17.6	11.0	5	11.9	2,400	9.0
Middle	49.5	52.9	17	40.5	12,127	45.5
Upper	29.9	34.6	20	47.6	12,099	45.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>26,626</b>	<b>100.0</b>
<small>Source: 2020 U.S. Census, 2022 HMDA Reported Data, and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</small>						

### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Small business lending in the low-income census tracts exceeded demographic data. Within moderate-income geographies, lending dispersion also exceeded demographic data. The following table reflects the distribution of small business loans within the assessment area.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	4.1	3	7.7	360	4.6
Moderate	14.4	8	20.5	564	7.1
Middle	48.1	15	38.5	4,123	52.2
Upper	33.3	13	33.3	2,849	36.1
Income Not Assigned	0.1	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>7,895</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and 2023 Small Business Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among business of different sizes and individuals of different income levels. The poor penetration of home mortgage loans primarily supports this conclusion.

### ***Home Mortgage Loans***

The distribution of home mortgage loans reflects poor penetration among borrowers of different income levels. Home mortgage lending to low-income borrowers was significantly below aggregate performance and demographic data. Lending to moderate-income borrowers was also significantly below aggregate performance and demographic data. The following table reflects the dispersion of home mortgage to borrowers of different income levels.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	21.0	5.4	1	2.4	210	0.8
Moderate	17.6	16.1	2	4.8	513	1.9
Middle	20.8	19.5	4	9.5	1,685	6.3
Upper	40.6	46.6	25	59.5	18,147	68.2
Income Not Available	-	12.4	10	23.8	6,071	22.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>26,626</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census Data; Bank Data, and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Lending to small businesses was below demographic data, but given the level of competition within the assessment area, performance is reasonable. Further, examiners also conducted an analysis

of the small business loans by loan amount as a proxy. The analysis by loan amount illustrates the bank's willingness to lend to small businesses. Specifically, 60.9 percent of the sampled small business loans were in amounts under \$250,000. The following tables reflect the distribution of small business loans among businesses of different sizes and the distribution of small business loans by loan amount.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$1,000,000	93.3	16	69.6	3,713	63.7
> \$1,000,000	1.8	7	30.4	2,114	36.3
Revenue Not Available	4.9	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>5,827</b>	<b>100.0</b>

*Source: 2023 D&B Data; 2023 Small Business Bank Data. Due to rounding, totals may not equal 100.0 percent.*

<b>Distribution of Small Business Loans by Loan Amount</b>				
<b>Loan Amount</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	8	34.8	469	8.0
\$100,000 - \$249,999	6	26.1	800	13.7
\$250,000 - \$499,999	4	17.4	1,200	20.6
\$500,000 - \$1,000,000	5	21.7	3,358	57.6
<b>Total</b>	<b>23</b>	<b>100.0</b>	<b>5,827</b>	<b>100.0</b>

*Source: 2023 Small Business Bank Data*

## **COMMUNITY DEVELOPMENT TEST**

South Atlantic Bank's community development performance demonstrates poor responsiveness to the community development needs in the Hilton Head Assessment Area through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

### **Community Development Loans**

The bank originated five community development loans totaling \$65,000 in the assessment area, which decreased from the previous evaluation when 21 loans were originated totaling \$3.8 million. This activity represents 6.8 percent by number and 0.5 percent by dollar volume of the total community development loans originated during the evaluation period. Community development loans promoted economic development and affordable housing. In 2021, the bank originated five PPP loans totaling \$65,000 to businesses located inside the assessment area. All the PPP loans supported economic development.

### **Qualified Investments**

During the evaluation period, the bank made five qualified investments totaling \$7,000, which increased from three qualified investments totaling \$5,200 at the previous evaluation. The donations support revitalization/stabilization of low- and moderate-income geographies. The following are examples of qualified investments made during the evaluation period in the assessment area.

- In 2022, the bank donated \$2,500 to a non-profit organization that provides uniforms for children from low- and moderate-income families. The donation supports community services for the low- and moderate-income populace.
- In 2023, the bank donated \$2,500 to a non-profit organization that provides food, clothing, educational and training programs, and emergency financial support to individuals families who are low- to moderate-income in families.
- In 2023, the bank donated \$1,000 to a non-profit organization that offers a variety of community outreach programs, safe sleep education, home visitation, and foster care for abused children.

### **Community Development Services**

Bank employees acting as representatives of South Atlantic Bank provided 30 instances of financial expertise or technical assistance to various organizations in the assessment area, which significantly increased from the previous evaluation when there were four instances. This level of services to the assessment area represents 40.5 percent of the total community development services during the evaluation period. The following are examples of community development services provided during the evaluation period.

- A bank employees taught a 12-week curriculum to small business entrepreneurs to assist with business knowledge, skills, and resources to promote economic development in the assessment area.
- A bank employees taught financial literacy classes to individuals seeking financial assistance to low- and moderate-income individuals and those in financial distress.
- A bank employee serves on the Board of the Boys and Girls Club Low Country. The organization provides tutoring and other services to children from low-to-moderate income families.

## NON-MSA ASSESSMENT AREA — Limited-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NON-MSA ASSESSMENT AREA

The Non-MSA Assessment Area is consists of Georgetown County in its entirety, which is located in the non-MSA portion of South Carolina. South Atlantic Bank operates two full-service, or 16.7 percent, of its branch offices in the assessment area. The Georgetown office is located in a moderate-income census tract and the Pawleys Island office is located in an upper-income census tract. Both offices offer non-depository ATMs and drive-through facilities. This assessment area accounts for 14.8 percent of total loans and 22.0 percent of bank-wide deposits.

The following tables provide a summary of the assessment area, including changes to the number of census tracts and tract income levels by census data during the evaluation period.

Assessment Area	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022-23)	# of Branches
Non-MSA Assessment Area	15	21	2
<i>Source: 2015 ACS Data and 2020 U.S Census Data.</i>			

Tract Income Level	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)
Low	-	-	-
Moderate	1	3	3
Middle	8	10	10
Upper	5	7	7
Income Not Assigned	1	1	1
<b>Total</b>	<b>15</b>	<b>21</b>	<b>21</b>
<i>Source: 2015 ACS Data and 2020 U.S Census Data.</i>			

### Economic and Demographic Data

The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B data.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	21	-	14.3	47.6	33.3	4.8
Population by Geography	63,404	-	15.4	49.0	35.6	-
Housing Units by Geography	35,655	-	14.1	41.4	44.6	-
Owner-Occupied Units by Geography	20,552	-	15.9	43.5	40.7	-
Occupied Rental Units by Geography	5,206	-	17.5	52.2	30.3	-
Vacant Units by Geography	9,897	-	8.6	31.3	60.2	-
Businesses by Geography	10,621	-	10.6	36.5	53.0	-
Farms by Geography	266	-	11.7	48.1	40.2	-
Family Distribution by Income Level	17,635	17.9	13.8	17.8	50.6	-
Household Distribution by Income Level	25,758	18.5	11.9	16.1	53.5	-
Median Family Income: Non-MSA, South Carolina	\$53,588	Median Housing Value Median Gross Rent Families Below Poverty Level				\$251,345 \$933 13.3%

*Source: 2020 U.S. Census, 2023 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to the Bureau of Labor Statistics, the unemployment rate for the county declined during the evaluation period. Unemployment rates were higher than the state and in line with national rates during the evaluation period. The following table reflects the average annual unemployment rates and trends for the county in the assessment area, state, and nation.

<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Georgetown County	3.8	3.6	3.5
South Carolina	3.3	3.1	3.0
National Average	3.9	3.5	3.7

*Source: FRED*

According to the 2023 D&B data, gross annual revenues for the non-farm businesses are 91.7 percent with \$1 million or less, 2.0 percent with more than \$1 million, and 6.3 percent with unknown revenues. Moreover, in 2023, top industries in this assessment area were services (32.4 percent), followed by non-classifiable establishments (28.2 percent), and finance, insurance and real estate (11.7 percent). Retail trade, transportation/communication, construction, and various other sectors make up the remaining percentages. In addition, 59.6 percent of the businesses in the assessment area have four or fewer employees, and 94.3 percent operate from a single location. Top area employers in the Non-MSA Assessment Area include Georgetown Hospital System, County of Georgetown, International Paper, Georgetown County Department of Education. and Santee Cooper.



The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the Non-MSA Assessment Area.

<b>Median Family Income Ranges Non-MSA Portion of South Carolina</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$58,800)	<\$29,200	\$29,200 to <\$47,040	\$47,040 <\$70,560	>\$70,560
<i>Source: FFIEC</i>				

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE  
NON-MSA ASSESSMENT AREA**

**LENDING TEST**

South Atlantic Bank's lending performance in the Non-MSA Assessment Area is consistent with the lending performance in the assessment areas that were reviewed using full-scope examination procedures. Tables illustrating the bank's geographic distribution and borrower profile performance for this assessment area are included in the Appendices.

**COMMUNITY DEVELOPMENT TEST**

community development performance in the assessment area is consistent with its s community development performance in the assessment areas using full-scope examination procedures. The assessment area benefitted from the statewide investments that include the Non-MSA Assessment Area, as noted in the bank-wide Community Development Test analysis. Tables illustrating the bank's community development performance for this assessment area are included in the Appendices.

## CHARLESTON ASSESSMENT AREA — Limited-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CHARLESTON ASSESSMENT AREA

The Charleston Assessment Area consists of Charleston, Berkeley, and Dorchester Counties in their entirety, which comprises the Charleston-North Charleston, South Carolina MSA. South Atlantic Bank operates two full-service, or 16.7 percent, of its offices in the assessment area. The Mount Pleasant and Calhoun offices are located in an upper-income census tract, and both offer non-depository ATMs and drive-through facilities. This assessment area accounts for 14.8 percent of total loans and 10.5 percent of bank-wide deposits.

The following tables provide a summary of the assessment area, including changes to the number of census tracts and tract income levels by census data during the evaluation period.

Assessment Area	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)	# of Branches
Charleston Assessment Area	131	147	178	2
<i>Source: 2015 ACS Data and 2020 U.S. Census Data.</i>				

Tract Income Level	# of Census Tracts 2015 ACS (2021)	# of Census Tracts 2020 U.S. Census (2022)	# of Census Tracts 2020 U.S. Census (2023)
Low	14	12	13
Moderate	29	40	48
Middle	47	41	56
Upper	37	49	56
Income Not Assigned	4	5	5
<b>Total</b>	<b>131</b>	<b>147</b>	<b>178</b>
<i>Source: 2015 ACS Data and 2020 U.S. Census Data.</i>			

### Economic and Demographic Data

The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	178	7.3	27.0	31.5	31.5	2.8
Population by Geography	799,636	6.0	25.0	33.8	34.3	0.9
Housing Units by Geography	339,240	6.4	26.0	31.8	34.3	1.5
Owner-Occupied Units by Geography	200,413	4.6	22.8	33.6	38.4	0.6
Occupied Rental Units by Geography	99,534	9.4	33.9	31.4	23.9	1.4
Vacant Units by Geography	39,293	8.4	22.9	23.5	39.2	6.0
Businesses by Geography	152,151	6.7	22.7	28.1	41.4	1.2
Farms by Geography	3,281	6.1	27.2	33.2	32.9	0.6
Family Distribution by Income Level	189,753	22.1	17.2	20.1	40.6	-
Household Distribution by Income Level	299,947	24.0	16.1	17.9	42.0	-
Median Family Income MSA: Charleston-North Charleston South Carolina MSA	\$82,122	Median Housing Value Median Gross Rent Families Below Poverty Level			\$313,553 \$1,233 8.2%	

*Source: 2015 ACS Data, 2023 D&B Data, and FFIEC Median Family Income. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0 percent.*

According to the Bureau of Labor Statistics, unemployment rates for the counties declined or were in line with the previous year during the evaluation period. Unemployment rates were lower than the state and national rates across all years. The following table reflects the average annual unemployment rates for the counties in the assessment area, state, and nation by year.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Berkeley County	2.7	2.5	2.4
Charleston County	2.9	2.7	2.7
Dorchester County	2.8	2.5	2.6
State of South Carolina	3.3	3.1	3.0
National Average	3.9	3.5	3.7

*Source: FRED*

According to the 2023 D&B data, gross annual revenues for non-farm businesses are 93.1 percent with \$1 million or less, 1.7 percent with more than \$1 million, and 5.2 percent with unknown revenues. Moreover, in 2023, top industries in this assessment area were non-classifiable establishments (33.3 percent), followed by services (30.3 percent), and finance, insurance and real estate. (10.4 percent). Retail trade, construction, transportation, and various other sectors make up the remaining percentages. In addition, 57.0 percent of the businesses in the assessment area have four or fewer employees, and 95.5 percent operate from a single location. Top area employers throughout the assessment area include Joint Base Charleston, Medical University of South Carolina, The Boeing Company, Roper Saint Francis Healthcare, and Charleston County School District.

The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the Charleston Assessment Area.

<b>Median Family Income Ranges</b>				
<b>Charleston-North Charleston, South Carolina MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$96,400)	<\$48,200	\$48,200 to <\$77,120	\$77,120 <\$115,680	≥\$115,68
<i>Source: FFIEC</i>				

**Community Contacts**

During the evaluation, examiners interviewed two community contacts, one that worked for an economic development organization and the other worked for an affordable housing organization. The economic development contact stated there is a need for business financing and affordable housing, as interest rates are extremely high. The contact also stated financial institutions could provide lower interest rates for businesses and housing needs. The affordable housing contact stated organizations need donations and sponsorships for food insecurities for the low- and moderate-income and elderly population.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHARLESTON ASSESSMENT AREA**

**LENDING TEST**

South Atlantic Bank's lending performance in the Charleston Assessment Area is consistent with the bank's lending performance in the assessment areas that were reviewed using full-scope examination procedures. Tables illustrating the bank's geographic distribution and borrower profile performance for this assessment area are included in the Appendices.

**COMMUNITY DEVELOPMENT TEST**

The bank's community development performance in the Charleston Assessment Area is consistent with its community development performance in the assessment areas using full-scope examination procedures. The assessment area benefitted from the statewide investments that include the Non-MSA Assessment Area, as noted in the bank-wide Community Development Test analysis. Tables illustrating the bank's community development performance for this assessment area are included in the Appendices.

## APPENDICES

### LENDING TEST PERFORMANCE TABLES LIMITED SCOPE ASSESSMENT AREAS

#### NON-MSA ASSESSMENT AREA

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	15.9	5.9	3	4.3	531	1.9
Middle	43.5	37.5	14	20.0	3,604	13.0
Upper	40.7	56.5	53	75.7	23,614	85.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>70</b>	<b>100.0</b>	<b>27,749</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, 2022 HMDA Reported Data, and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	10.6	1	2.3	1,000	15.6
Middle	36.5	8	18.2	1,682	26.2
Upper	53.0	35	79.5	3,734	58.2
<b>Total</b>	<b>100.0</b>	<b>44</b>	<b>100.0</b>	<b>6,416</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and 2023 Small Business Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.9	2.0	1	1.4	123	0.4
Moderate	13.8	9.1	5	7.1	715	2.6
Middle	17.8	14.2	8	11.4	1,886	6.8
Upper	50.6	60.9	48	68.6	22,350	80.5
Income Not Available	-	13.8	8	11.4	2,675	9.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>70</b>	<b>100.0</b>	<b>27,749</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census Data, 2022 HMDA Reported Data, and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$1,000,000	<b>91.7</b>	18	75.0	2,815	53.4
> \$1,000,000	1.9	6	25.0	2,454	46.6
Revenue Not Available	6.3	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>5,269</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and 2023 Small Business Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

### **CHARLESTON ASSESSMENT AREA**

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	4.9	2.9	-	-	-	-
Moderate	23.0	17.1	6	12.0	4,836	14.0
Middle	28.7	31.0	17	34.0	10,908	31.6
Upper	42.6	48.1	25	50.0	17,367	50.3
Income Not Assigned	0.8	0.9	2	4.0	1,409	4.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>34,520</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, 2022 HMDA Reported Data, and 2022 HMDA Aggregate Data Due to rounding, totals may not equal 100.0 percent.</i>						

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	6.7	2	3.1	400	3.2
Moderate	22.7	10	15.4	1,678	13.4
Middle	28.1	15	23.1	2,847	22.7
Upper	41.4	36	55.4	7,527	60.1
Income Not Assigned	1.1	2	3.1	65	0.5
<b>Total</b>	<b>100.0</b>	<b>65</b>	<b>100.0</b>	<b>12,517</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and 2023 Small Business Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	22.2	5.9	-	-	-	-
Moderate	16.7	16.8	2	4.0	596	1.7
Middle	19.5	18.6	10	20.0	3,811	11.0
Upper	41.5	37.9	29	58.0	22,571	65.4
Income Not Available	-	20.9	9	18.0	7,542	21.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>34,520</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census Data, 2022 HMDA Reported Data, and 2022 HMDA Aggregate Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$1,000,000	93.2	26	72.2	4,414	62.4
> \$1,000,000	1.6	10	27.8	2,660	37.6
Revenue Not Available	5.2	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>7,074</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data and 2023 Small Business Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0 percent.</i>					

## **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.



## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (*e.g.*, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



## **Branches**

### **Myrtle Beach Main Office**

630 29<sup>th</sup> Avenue North  
Myrtle Beach, SC 29577  
Phone: (843) 839-0100  
ATM

### **North Myrtle Beach Office**

1801 Hwy 17 South  
North Myrtle Beach, SC 29582  
Phone: (843) 848-2260  
ATM

### **Murrells Inlet Office**

11019 Tournament Boulevard  
Murrells Inlet, SC 29576  
Phone: (843) 848-2000  
ATM

### **Mount Pleasant Office**

930 Johnnie Dodds Boulevard  
Mount Pleasant, SC 29464  
Phone: (843) 972-4300  
ATM

### **Georgetown Office**

1187 North Fraser Street  
Georgetown, SC 29440  
Phone: (843) 436-6800  
ATM

### **Pawleys Island Office**

10970 Ocean Highway  
Pawleys Island, SC 29585  
Phone: (843) 848-2049  
ATM

### **Charleston Office**

40 Calhoun Street Suite 100  
Charleston, SC 29401  
Phone: (843) 414-5900  
No ATM

### **Bluffton Office**

1 Sheridan Park Circle  
Bluffton, SC 29910  
Phone: (843) 815-7111  
ATM

### **Summerville/Carnes Crossroads Office**

2444 N Main Street  
Summerville, SC 29486  
Phone: (854) 269-9140  
No ATM  
No Safe Deposit Box Service

### **Towne Centre Office**

3990 River Oaks Drive  
Myrtle Beach, SC 29579  
Phone: (843) 839-5549  
ATM  
No Safe Deposit Box Service

#### Lobby Hours:

Monday - Friday: 8:30 am – 5:00 pm

#### Drive Thru Hours:

Monday – Thursday: 8:30 am – 5:00 pm

Friday: 8:30 am – 5:30 pm



**Branches**

**Hilton Head Island Office**

81 N Main Street  
Hilton Head Island, SC 29926  
Phone: (843) 548-1004  
ATM

**Beaufort Office**

37 Robert Smalls Parkway  
Beaufort, SC 29906  
Phone: (843) 473-7348  
ATM

Lobby Hours:

Monday – Friday: 8:30 am – 5:00 pm

Drive Thru Hours:

Monday – Thursday: 8:30 am – 5:00 pm

Friday: 8:30 am – 5:30 pm





**List of Branches Opened or Closed**

<b>Opened 2024:</b>	<b>Closed 2024:</b>
Summerville/Carnes Crossroads 2444 N Main Street Summerville, SC 29486 July, 2024	Hilton Head Office 5A Park Lane Hilton Head Island, SC 29928 August, 2024

<b>Opened 2022:</b>	<b>Closed 2022:</b>
Beaufort 11 E Smalls Parkway Beaufort, SC 29906 November, 2022	None

## Deposit Services

### Personal Checking Accounts

Premier Checking, Performance Checking  
Active Senior Checking, Checking with ICS  
Free Checking  
Student Checking

### Personal Savings Accounts

Relationship Money Market  
Executive Money Market  
Prime Money Market  
Money Markets with ICS  
Personal Saver  
Young Saver  
Platinum Savings  
Health Savings Accounts  
Certificates of Deposit  
Certificates of Deposit with CDARs

### Sweep Accounts

Credit Line Sweeps  
Zero Balance Accounts  
Sweep Investments

### Business Checking Accounts

Business Analysis Checking, Checking with ICS  
Business 500 Checking  
SAB Small Business Checking  
SAB IOLTA

### Business Savings Accounts

Money Market, Relationship Money Market  
Prime Money Market, Money Market with ICS  
Executive Money Market, Business Savings  
Platinum Savings  
Certificates of Deposits

### Other Services

ACH Pre-Authorized Drafts  
ACH Direct Deposit  
ID Shield Identity Theft Protection  
Wire Transfer  
Remote Deposit Capture  
Online Banking with Bill Pay  
Electronic Bank Statements  
Mobile Banking  
Telephone Banking  
Mastercard Debit Cards  
Automated Teller Machines (ATM)  
Apple Pay  
Merchant Services  
Cash Management  
Safe Deposit Boxes  
Lock Box



### Schedule of Fees

#### IDShield Identity Theft Protection

- Individual plan (per month) \$15.95
- Family plan (per month) \$29.95

Quick Card Debit MasterCard Free

- Replacement Card \$10.00

# South Atlantic Bank

## Schedule of Fees

Account Balancing & Research (per hour)	\$45.00
ATM Withdrawals at non-SAB ATMs after 2 per month (no charge for Student Checking)	Varies by ATM operator
Audit Confirmation	\$10.00
Collection Items (per item)	\$35.00
Copy of Cancelled Check	\$ 2.00
Copy of Statement	
Without check images	\$ 5.00
With check images	\$10.00
Counter Check (per page of 4 checks)	\$ 2.00
Deposit Correction	\$ 5.00
Dormant Account (per month after one year of no activity)	\$ 5.00
Early Account Closeout (within 90 days of opening)	\$10.00
Electronic Statement	FREE
Excessive Withdrawal Fee Money Market	\$10.00 per statement cycle
Excessive Withdrawal Fee Personal & Business Savings	\$2.00 per statement cycle
Excessive Withdrawal Fee Young Saver	\$1.00 per statement cycle
Levy or Garnishment	\$50.00
Night Deposit Disposable Bag	see customer service for pricing
Non-Sufficient Funds Item Paid Charge	\$36.00
Non-Sufficient Funds Item Return Charge	\$36.00
0 Official Check	
Customer	\$ 5.00
Non-Customer	\$10.00
Continuous Negative Balance Fee (-\$100 or more)	\$ 5.00 per business day after 5 days
Safe Deposit Box Annual Rental	
3 x 5	\$40.00
3 x 10	\$50.00
5 x 10	\$70.00
10 x 10	\$130.00
Safe Deposit Box Replacement Key	\$250.00
Sight Draft	\$50.00
South Atlantic Bank Debit MasterCard ©	Free
Replacement Card	\$10.00
Special Account Handling (per month)	\$25.00
Stop Payment Fee	\$36.00
Subpoena Processing Fee	\$100.00
Telephone Transfer	\$ 2.00
Verification of Deposit	\$10.00
Wire Transfer Fee - Domestic	\$20.00
Wire Transfer Fee - Domestic NetTeller Business	\$ 5.00
Wire Transfer Tracer	\$50.00
Wire Transfer Amendment	\$75.00
Wire Transfer Fee - International	\$50.00

<b>Credit Services - Mortgage Department &amp; Portfolio</b>	<b>Credit Services - Commercial</b>
<p><b>Real Estate Mortgages (Fixed or Adjustable Rate)</b></p> <ul style="list-style-type: none"> <li>• Owner-Occupied First Mortgages</li> <li>• Secondary Residence Mortgages</li> <li>• Investment Property Mortgages</li> <li>• Construction (Adjustable Only)</li> <li>• Construction to Permanent</li> <li>• Conventional, USDA, FHA &amp; VA</li> <li>• Home Equity Lines of Credit</li> </ul> <p><b>Bridge Loans</b></p> <p><b>Lot Loans</b></p> <p><b>Personal Lines of Credit</b></p> <p><b>Overdraft Protection Lines of Credit</b></p> <p><b>Single Pay Loans</b></p> <p><b>Unsecured Loans</b></p> <p><b>Automobile Loans</b></p> <p><b>Boat &amp; Boat Slip Loans</b></p> <p><b>Recreational Vehicle Loans</b></p> <p><b>CD &amp; Stock Secured Loans</b></p> <p><b>Deposit Loans</b></p> <p><b>Marketable Securities Loans</b></p>	<p><b>1 to 4 Family Investment Property Loans</b></p> <p><b>Various Collateralized Loans (Office, Apartments, Real Estate, Hotel, Condo, Mobile Home Parks, Commercial Buildings, Equipment, Golf Course)</b></p> <p><b>Accounts Receivable &amp; Inventory</b></p> <p><b>Aircraft</b></p> <p><b>Assignment of Life Insurance</b></p> <p><b>Assignment of Note</b></p> <p><b>Construction Loans</b></p> <p><b>Lines of Credit/Credit Line Sweeps</b></p> <p><b>Vehicle Loans</b></p> <p><b>Vessels</b></p> <p><b>Condominium Development Loans</b></p> <p><b>Merchant Services &amp; Credit Cards</b></p> <p><b>Deposit Loans</b></p> <p><b>Land Loans (Unimproved &amp; Recreational)</b></p> <p><b>Developed Lot Loans</b></p> <p><b>Letters of Credit</b></p> <p><b>Floor Plan Lines</b></p> <p><b>Short Term/Single Pay Loans</b></p> <p><b>Unsecured Loans</b></p> <p><b>Marketable Securities</b></p> <p><b>Mini Golf Loans</b></p> <p><b>Religious Organization Loans</b></p> <p><b>Residential Builder Loans</b></p> <p><b>Residential Development Loans</b></p>



### Schedule of Fees

#### Lot Loans:

Residential Lot Origination Fee	1% of Loan Amount
Residential Lot Application Fee	\$495.00

#### Real Estate Mortgages

Administration Fee	\$975.00
Third Party Fees	Varies

#### Bridge Loans:

Administration fee	\$550.00
Origination Fee	Varies by loan amount

#### Consumer Loans

Application Fee	\$75.00
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#### Commercial Loans

Documentation Prep Fee	Varies by loan amount
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**On the following pages are maps of South Atlantic Bank's Assessment Areas and Branches. South Atlantic Bank's Assessment areas consist of the following Counties in their entirety.**

**Myrtle Beach Assessment Area - Horry County SC**

**Georgetown Assessment Area - Georgetown County SC**

**Charleston Assessment Area - Berkeley County SC, Charleston County SC and Dorchester County SC**

**Hilton Head Assessment Area - Beaufort County SC and Jasper County SC**

**If you would like to know what Census Tract and Income level your location is please visit the following website: [ffiec.gov](http://ffiec.gov) and click on the link Geocoding/Mapping System and enter your address.**





### Horry County Census Tracts with Income Level

Tract	Income	Tract	Income	Tract	Income	Tract	Income
0101.00	Middle	0509.01	Mod	0602.06	Middle	0802.00	Mod
0201.00	Mod	0509.02	Low	0602.07	Middle		
0202.01	Low	0510.00	Upper*	0602.09	Middle		
0202.02	Mod	0512.01	Middle	0602.10	Middle		
0203.01	Middle	0512.02	Middle	0602.11	Upper*		
0203.02	Middle	0513.01	Middle	0603.01	Mod		
0301.02	Middle	0513.02	Upper*	0603.03	Middle		
0301.04	Mod	0514.03	Upper*	0603.09	Upper*		
0401.01	Middle	0514.04	Middle	0603.10	Middle		
0401.02	Middle	0514.05	Middle	0604.03	Middle		
0401.03	Middle	0514.06	Middle	0604.04	Middle		
0401.04	Middle	0515.01	Middle	0604.05	Mod		
0401.05	Middle	0515.02	Mod	0604.06	Middle		
0402.00	Middle	0515.03	Mod	0701.01	Middle		
0403.00	Middle	0516.03	Middle	0701.02	Middle		
0404.00	Upper*	0516.05	Middle	0702.00	Middle		
0405.00	Upper*	0516.06	Middle	0703.00	Mod		
0501.02	Upper*	0516.07	Middle	0704.00	Mod		
0502.00	Upper*	0516.08	Upper*	0705.00	Middle		
0503.03	Upper*	0516.09	Middle	0706.01	Middle		
0504.01	Middle	0517.00	Middle	0706.02	Mod		
0504.02	Upper*	0601.01	Mod	0707.01	Middle		
0505.00	Mod	0601.02	Middle	0707.02	Middle		
0506.00	Low	0602.03	Middle	0801.01	Middle		
0507.00	Mod	0602.04	Middle	0801.02	Middle		



### Georgetown County Census Tracts with Income Level

Tract	Income
9201	Middle
9202.02	Middle
9202.03	Middle
9202.04	Middle
9203.01	Middle
9203.02	Upper*
9204	Middle
9205.02	Middle
9205.04	Upper*
9205.06	Upper*
9205.07	Middle
9205.08	Upper*
9205.09	Upper*
9205.1	Upper*
9205.11	Upper*
9206.01	Mod
9206.02	Mod
9207.01	Middle
9207.02	Middle
9208	Mod

# Map



### Berkeley County Census Tracts with Income Level

Tract	Income	Tract	Income
0201.01	Mod	0207.15	Mod
0201.02	Mod	0207.16	Middle
0202.01	Low	0207.17	Mod
0202.02	Low	0207.18	Mod
0203.01	Mod	0207.19	Mod
0203.03	Mod	0207.20	Middle
0203.04	Mod	0207.21	Upper*
0204.01	Low	0207.22	Upper*
0204.04	Upper*	0207.23	Middle
0204.05	Mod	0207.24	Middle
0204.06	Upper*	0207.25	Mod
0204.07	Upper*	0208.04	Mod
0205.03	Middle	0208.06	Mod
0205.04	Mod	0208.07	Upper*
0205.05	Middle	0208.08	Middle
0205.06	Mod	0208.09	Mod
0206.01	Middle	0208.10	Mod
0206.02	Middle	0208.11	Mod
0207.07	Middle	0208.12	Upper*
0207.10	Middle	0209.01	Low
0207.11	Upper*	0209.03	Middle
0207.12	Mod	0209.04	Middle
0207.13	Middle	0210.00	Mod
0207.14	Middle		

### Charleston County Census Tracts with Income Level

Tract	Income	Tract	Income	Tract	Income
0001.00	Upper*	0026.06	Upper*	0044.00	Mod
0002.00	Upper*	0026.11	Middle	0046.07	Upper*
0004.00	Upper*	0026.12	Middle	0046.09	Upper*
0005.00	Upper*	0026.13	Middle	0046.10	Upper*
0006.00	Upper*	0026.14	Middle	0046.12	Middle
0007.00	N/A	0027.01	Middle	0046.13	Upper*
0009.00	Middle	0027.02	Mod	0046.14	Upper*
0010.00	Middle	0028.01	Upper*	0046.15	Upper*
0011.00	N/A	0028.02	Upper*	0046.16	Upper*
0015.00	Middle	0029.00	Middle	0046.17	Upper*
0019.01	Middle	0030.00	Upper*	0046.18	Upper*
0019.02	Middle	0031.04	Low	0046.19	Upper*
0020.02	Middle	0031.05	Low	0046.20	Middle
0020.04	N/A	0031.06	Mod	0046.21	Upper*
0020.05	Upper*	0031.07	Mod	0046.22	Upper*
0020.06	Upper*	0031.08	Mod	0047.01	Upper*
0020.07	Upper*	0031.09	Middle	0047.02	Upper*
0020.08	Mod	0031.10	Mod	0048.00	Upper*
0020.09	Upper*	0031.11	Mod	0049.01	Upper*
0021.03	Middle	0031.13	Mod	0049.02	Upper*
0021.04	Upper*	0031.15	Low	0050.01	Middle
0021.05	Upper*	0031.16	Mod	0050.02	Mod
0021.06	Upper*	0031.17	Middle	0051.00	Upper*
0021.07	Middle	0032.00	Mod	0053.00	Mod
0021.08	Middle	0033.00	Mod	0054.00	Low
0022.00	Middle	0034.00	Low	0055.00	Mod
0023.00	Middle	0035.00	Middle	0056.01	Upper*
0024.01	Mod	0036.00	Middle	0056.02	Upper*
0024.02	Low	0037.00	Mod	0057.01	Upper*
0025.03	Mod	0038.00	Mod	0057.02	Upper*
0025.04	Middle	0039.00	Middle	0058.00	Upper*
0026.04	Upper*	0040.00	Low	0059.00	Upper*
0026.05	Mod	0043.00	Low		

## Dorchester County Census Tracts with Income Level

Tract	Income
0101.00	Mod
0102.00	Low
0103.01	Mod
0103.02	Mod
0104.00	Middle
0105.01	Middle
0105.03	Middle
0105.05	Middle
0105.06	Middle
0105.07	Middle
0105.08	Upper*
0106.03	Upper*
0106.04	Upper*
0106.06	Upper*
0106.07	Middle
0106.08	Mod
0107.00	Mod
0108.01	Upper*
0108.07	Middle
0108.08	Middle
0108.09	Middle
0108.13	Mod
0108.14	Middle
0108.15	Mod
0108.17	Middle
0108.18	Mod
0108.19	Upper*
0108.20	Middle
0108.21	Middle
0108.22	Upper*
0108.23	Middle

# Map





### Beaufort County Census Tracts with Income Level

Tract	Level	Tract	Level
0001.00	Mod	0021.05	Middle
0002.00	Mod	0021.06	Middle
0003.00	Mod	0021.07	Middle
0004.00	N/A	0021.08	Middle
0005.01	Middle	0021.09	Middle
0005.02	Middle	0021.10	Middle
0005.03	Mod	0022.01	Middle
0006.00	Mod	0022.02	Upper*
0007.00	Middle	0101.00	Upper*
0008.00	Mod	0102.00	Upper*
0009.01	Upper*	0103.00	Upper*
0009.02	Middle	0104.00	Upper*
0009.03	Upper*	0105.00	Middle
0010.00	Mod	0106.00	Upper*
0011.01	Middle	0107.00	Upper*
0011.03	Middle	0108.00	Low
0011.04	Mod	0109.00	Upper*
0012.00	Upper*	0110.00	Middle
0021.01	Upper*	0111.00	Upper*
0021.02	Middle	0112.00	Upper*
0021.03	Upper*	0113.00	Upper*

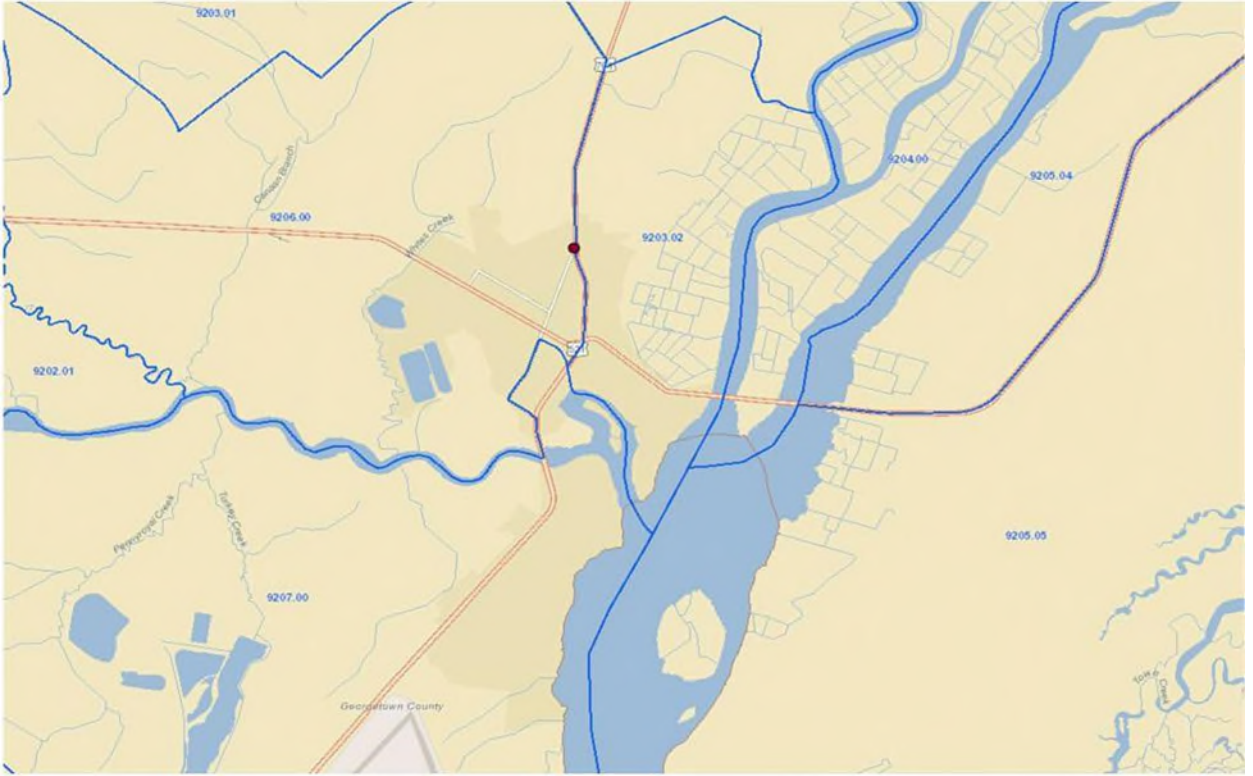
## Jasper County Census Tracts with Income Level

Tract	Level
9501	Mod
9502.01	Middle
9502.03	Low
9502.04	Mod
9503.01	Middle
9503.02	Mod

**Mount Pleasant Branch Location – 0046.06**



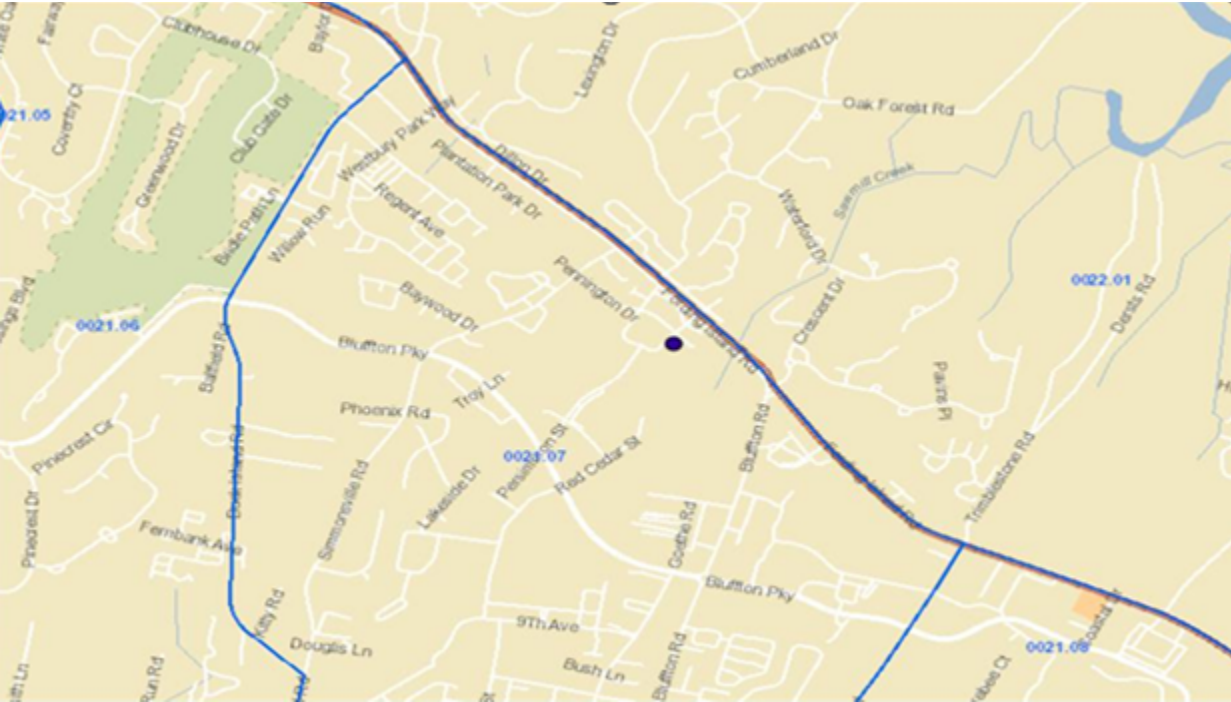
**Georgetown Branch Location – 9206.00**



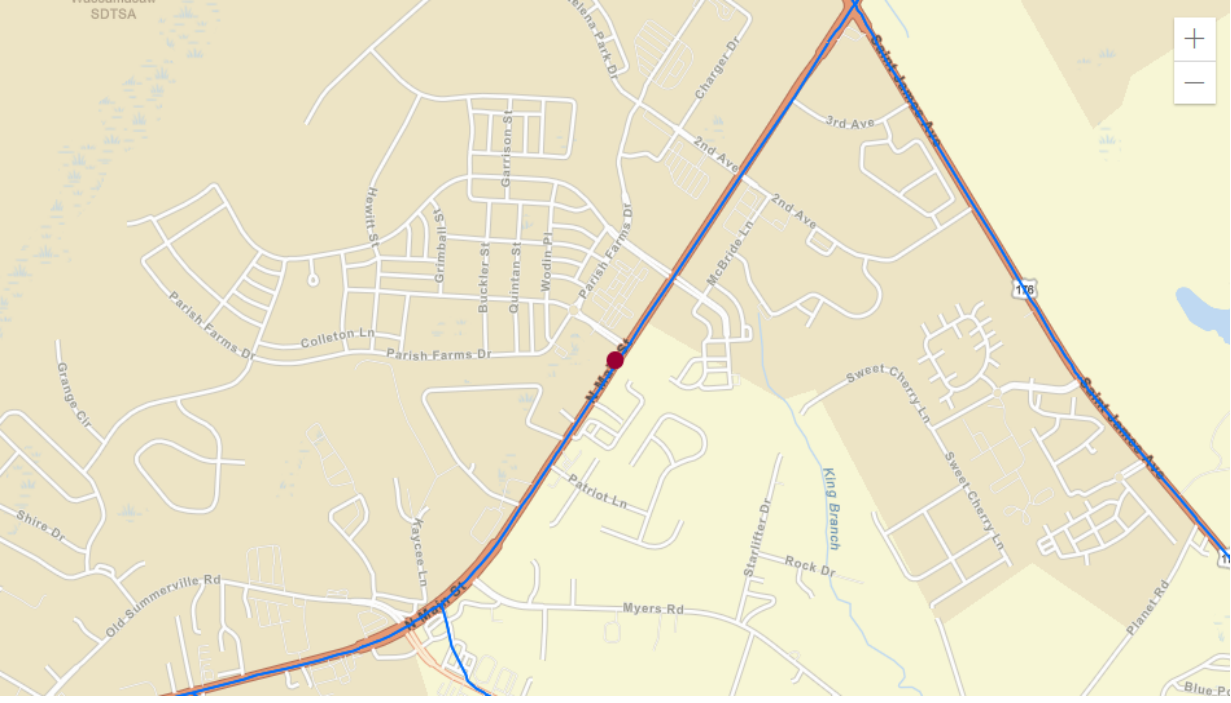




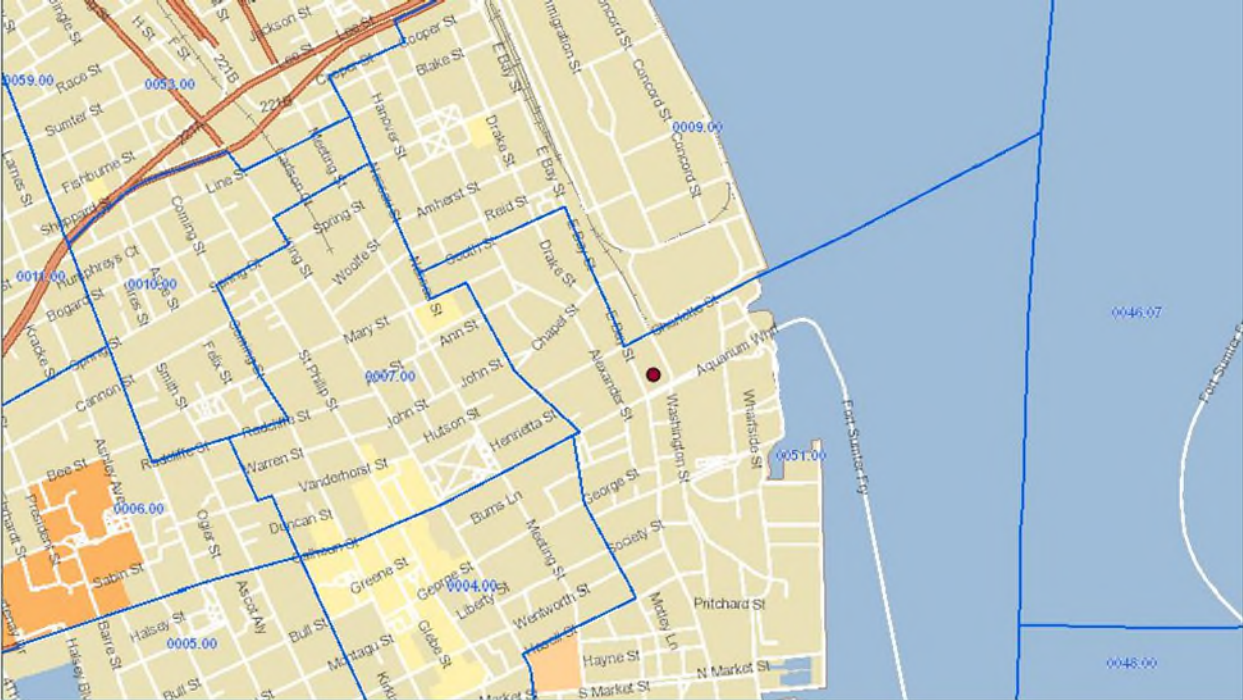
**Bluffton Branch Location – 0021.07**



**Summerville/Carnes Crossroads Branch Location – 0207.13**



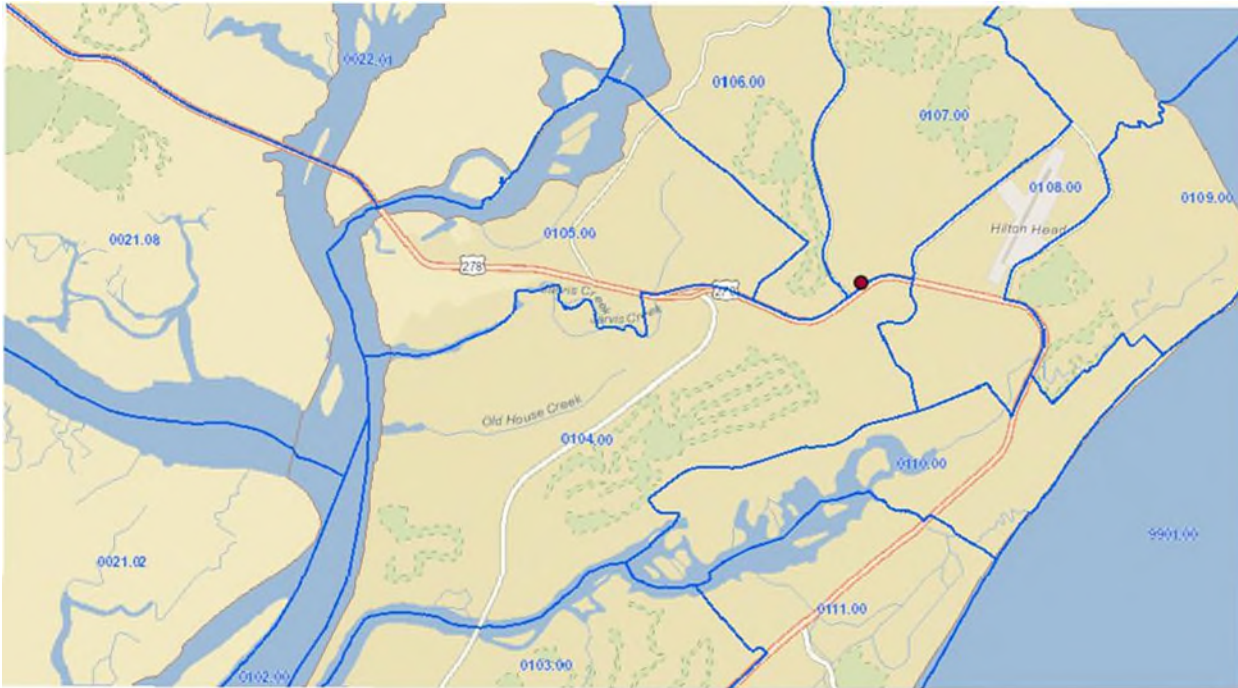
**Charleston Branch Location – 0051.00**



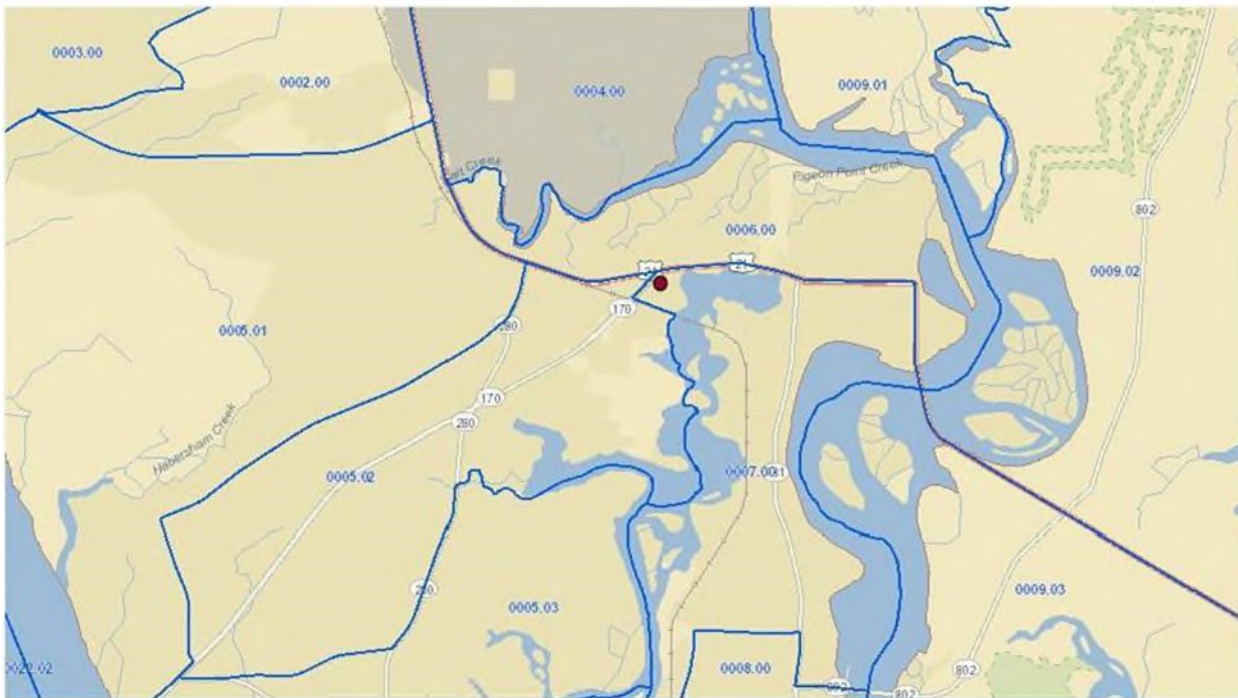
**Carolina Forest / Towne Centre Branch Location – 0603.08**



### Hilton Head Island Main Street Branch Location – 0107.00



### Beaufort Branch Location – 0007.00





## HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other [financial institutions](#) are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).



## Loan-to-Deposit Ratio

### 2021

March	73.81%
June	69.13%
September	67.14%
December	66.82%

### 2022

March	65.43%
June	68.91%
September	75.31%
December	80.93%

### 2023

March	82.82%
June	85.01%
September	86.57%
December	90.75%

### 2024

March	89.48%
June	86.17%
September	86.92%
December	90.75%

### 2025

March	
June	
September	
December	