

IBSC Calendar

Wednesday, February 8, 2006 @ 10:30 am
 IBSC Board Meeting
 Association Office
 Columbia, SC

Thursday, April 27, 2006 (Tentative)
 Officer Call Training Seminar Part II
 Summit Club
 Columbia, SC

Lawmakers Ask FDIC to Delay Vote On Wal-Mart

More than two dozen members of the House Financial Services Committee have demanded that the Federal Deposit Insurance Corp. not rule until it has a chairman on Wal-Mart Stores Inc.'s plan to charter an industrial loan company. The FDIC board has been without a chairman since Don Powell left Nov. 15 to coordinate federal rebuilding efforts on the Gulf Coast. Vice chairman Martin Gruenberg is acting as temporary chairman.

The White House is expected to nominate New York State Banking Superintendent Diana Taylor to succeed Mr. Powell in January. It is uncertain how long Senate confirmation would take. An FDIC spokesman said Friday that Wal-Mart's application was deemed complete July 19, when it was filed. The agency was expected to decide sometime between February and May whether to grant deposit insurance, he said.

The lawmakers asked the FDIC to hold public hearings on Wal-Mart's application, noting that it has generated more than 1,000 comment letters. (On Friday the FDIC said it had actually received 1,800 comments).

The FDIC declined to discuss the letter, but its spokesman, David Barr, said, "No other agency business goes on hold because we have a four-member board."

A spokesman for Wal-Mart said, "We are confident that the FDIC will appropriately handle our industrial bank application."

Camden Fine, the president of the Independent Community Bankers of America, applauded the one-page letter from lawmakers. "The Wal-Mart application highlights the need to close the ILC loophole," he said. "It also violates a core ICBA principal: the separation of banking and commerce."

American Banker Online, December, 2005.

Eat or be Eaten***Recent Article in "The State" concerning Community Banking***

Walter Standish knows his bank has the pleasing figures and the sexy geography to draw plenty of suitors. Beach First Bank's sound financial statements, double-digit deposit increases and Myrtle Beach address make it attractive to any bank hungry for growth. But Standish, chief executive of the six-branch coastal lender, said Beach First has the strength to remain independent.

"The challenge," he said, "is today if somebody comes in and offers a premium" to shareholders to sell their stock. There is no way to know for sure which S.C.-based banks will field offers in 2006. But plenty of small banks have what bigger banks want in an acquisition. Buyers want: Desirable locations, especially along the coast and in the Upstate, at least \$100 million in deposits and assets, revenues of \$10 million or more last year, fast growth but limited access to capital, which can make it difficult to loan money.

Tim Schools, chief financial officer of The South Financial Group, was more precise. The parent company of Carolina First is looking to buy banks with a similar business mix, revenues between \$10 million and \$60 million, and other favorable banking statistics. "There are several banks in Georgia and North Carolina that would like to move into the state, said Neil Grayson, an attorney with Nelson Mullins Riley & Scarborough.

A bank's growth potential is gauged by "capital ratios". The industry standard is a capital ratio of at least 8 percent. Below that level, banks can be restricted from taking out-of-market deposits, Grayson said. Such deposits often are a lifeline for young banks trying to increase their lending ability. A low lending ability can be devastating for small banks in South Carolina's hot markets, said Robert Hill, chief executive of SCBT Financial.

The result, Grayson said, is many banks get squeezed. The problem comes a few years later, when it is more difficult to sell more stock to raise money to lend. Meanwhile, new banks are spending \$100,000 or more on back-office operations — such as accounting, filing paperwork with state and federal regulators — which can be a tremendous amount for a bank with annual revenue of a few million dollars. "The cost of being a public company far outweighs any benefits," Grayson said of these small banks.

The State, December 11, 2005.



Remember!
"Community Banking Month"



*IBSC Staff would like to wish you and yours a Merry
 Christmas and Happy New Year!!!*

Christmas crime prevention tips

Police say while you need to be cautious and alert when shopping for gifts this season, you also need to be careful once you unwrap all of those presents Christmas morning. Sgt. Florence McCants said “you would be amazed how many people are conscious” of what you have and “what you do with the items after you purchase them.” Here are some tips on keeping your gifts safe after the holiday:

While it’s tempting to throw out the boxes for TVs, stereos and iPods and leave them in front of your home for the garbage truck. Instead, load up the boxes in your car and take them to a landfill or Dumpster.

If you’re going to be out of town, don’t let your mail or newspapers pile up while you are gone. Call to have your mail stopped, or ask a neighbor to pick it up for you.

Get to know your neighbors. When you’re gone, ask them to keep an eye out for your home and belongings. Leave your contact information with them, and ask them to notify police if they see anything suspicious.

Install timed lights so they come on at night while you are away. This keeps your house out of the dark and more in the public eye.

The State, December 12, 2005.

Community Reinvestment

The Board of Governors of the Federal Reserve System and other federal banking agencies have requested comment on proposed staff guidance regarding recent revisions to their Community Reinvestment regulations. Those revisions addressed regulatory burden imposed on small banks with an asset size between \$250 million and \$1 billion by exempting them from CRA loan data collection and reporting obligations. They also exempted those banks from the large bank lending, investment, and service test and made them eligible for evaluation under the small-bank lending test and a flexible new community development test. The proposal is available on the following Internet site: www.federalreserve.gov/boarddocs/press/foiadocs/2005/20051118/default.pdf



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First Community to Acquire Kershaw County Lender

For a decade a stalwart of Lexington County banking — is moving closer to being known as a Midlands lender by acquiring a Kershaw County lender. The purchase of DeKalb Bankshares, the parent of Bank of Camden, is worth \$9 million in cash and stock.

The deal will close during the first half of 2006, after February when DeKalb turns 5 years old. For First Community, which in the past year moved into Newberry and Richland counties, extending its reach to Kershaw County is a natural next step, chief executive Mike Crapps said. Adding the Camden bank makes it easier for both branches to capture commuter traffic — a similar strategy driving First Community’s purchase of Newberry Federal earlier this year.

DeKalb’s customers gain the convenience of multiple bank branches, said Bill Bochette, chief executive of DeKalb. But aside from the new convenience of being part of a 12-branch bank, the deal also provides a nice return for DeKalb’s investors, Bochette said.

The State, December 9, 2005.

\$2.2 Million Dividend

the ICBA announced that more than 800 of its members participating in an ICBA insurance program will receive a combined \$2,245,526 dividend, the second largest in the 23-year history of ICBA/St.Paul Travelers Insurance Program.

ICBA, News Release.

