Notice of Intent by Mutual Holding Company
to Waive Dividend from Subsidiary Savings Bank

Order No. 95-205

Date: December 14, 1995

First Carolina Bancshares Federal Mutual Holding Company,
Walterboro, South Carolina (the "MHC"), has filed with the Office
of Thrift Supervision ("OTS"), pursuant to Section 10(o) of the
Home Owners' Loan Act and 12 C.F.R. Section 575.11(d), a notice
(the "Notice") of the MHC's intent to waive its right to receive
cash dividends declared by its subsidiary savings bank, First
Carolina Bank, FSB, Walterboro, South Carolina (the "Savings
Bank"), for the year ending December 29, 1995.

The OTS has considered the written analyses and
recommendations of the Southeast Regional Office, the Chief
Counsel's Office and Corporate Activities and has determined that
the waiver of cash dividends by the MHC for the year ending
December 29, 1995, is not detrimental to the safe and sound
operation of the Savings Bank, provided that the conditions set
forth below are satisfied. Accordingly, the OTS does not object
to the waiver of dividends by the MHC as proposed in the Notice
subject to the following conditions:

1. For as long as the Savings Bank is controlled by the MHC, the
dollar amount of dividends waived by the MHC must be considered a
restriction on the retained earnings of the Savings Bank. Such
restriction, if material, must be disclosed in the public
financial statements of the Savings Bank as a note to the
financial statements. The amount of any dividend waived by the
MHC shall be available for declaration as a dividend solely to
the MHC. In accordance with Statement of Financial Accounting
Standards No. 5, where the Savings Bank determines that the
payment of such dividend to the MHC is probable, an appropriate
dollar amount shall be recorded as a liability; and

2. The amount of any waived dividend must be considered as
having been paid by the Savings Bank (and the Savings Bank's
capital ratios adjusted accordingly) in evaluating any proposed
dividend under 12 C.F.R. §§ 563.134 and 565.6(a)(1), or any
successor regulations.

The OTS's non-objection with respect to the MHC's waiver of
dividends for the year ending December 29, 1995, may be rescinded
prior to such date by the Southeast Regional Director if, based
on subsequent developments, the proposed waiver is determined to
be detrimental to the safe and sound operation of the Savings
Bank.
By Order of the Director of the Office of Thrift Supervision, or his designee, effective December 14, 1995.

John F. Downey
Executive Director, Supervision