



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

August 6, 2001

# **Community Reinvestment Act Performance Evaluation**

**The Summit National Bank  
Charter Number: 21484**

**4360 Chamblee-Dunwoody Road  
Atlanta, GA 30341**

**Office of the Comptroller of the Currency**

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**NOTE: 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, and should not 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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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Outstanding.**”

The following table indicates the performance level of **The Summit National Bank (*Summit*)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	The Summit National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

\* The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

### Lending Test

- Lending levels reflect good responsiveness to assessment area credit needs.
- A substantial majority of the loans are made in the bank’s assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment area.
- *Summit* exhibits a good record of serving the credit needs of small loans to businesses.
- *Summit*’s level of community development lending activities is excellent and had a positive impact on lending performance. The dollar volume of CD loans represented a significant portion of the bank’s Tier 1 Capital base. The bank is a leader in making community loans.

### Investment Test

- Based on investment and grant activities and available opportunities, the level of qualified investments is excellent.
- *Summit* exhibits an excellent responsiveness to credit and community development needs.

### Service Test

- Delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the assessment area.
- Record of opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate- income geographies and low- and moderate- income individuals.
- Services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate- income geographies and/or low- and moderate- income individuals.

- *Summit* provides an adequate level of community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate** - Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

**Community Development (CD)** - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review** - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the U.S. Census Bureau 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 (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope Review** - Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**Low-Income** - Income levels that are less than 50 percent of the median family income.

**Median Family Income (MFI)** - The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the director of the U.S. Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80 percent and less than 120 percent of the MFI.

**Moderate-Income** - Income levels that are at least 50 percent and less than 80 percent of the MFI.

**Small Loans to Businesses** - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Loans to Farms** - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120 percent or more of the MFI.

## Description of Institution

*Summit* Bank Corporation was organized as a Georgia corporation on October 15, 1986 as a bank holding company to acquire all of the common stock of The Summit National Bank (*Summit*) upon its formation. *Summit* commenced business on March 10, 1988, and the Company's primary activity since then has been the ownership and operation of the bank. The holding company's only asset is *Summit*.

*Summit* engages in commercial banking from its main office and three branch offices, all of which is located in northern metropolitan Atlanta, Georgia. A fourth branch office was added on June 30, 1998 when the bank acquired California Security Bank (CSB) in San Jose, California. This branch is in an ethnic community of San Jose that is very similar to the Atlanta's primary service area. *Summit* is an interstate bank and it has no affiliates.

As of March 31, 2001, *Summit* had total assets of \$328 million. The major categories of the bank's \$192 million loan portfolio were as follows: 65% for commercial real estate; 28% for commercial; and 7% other loans. The percent of the bank's total assets as represented by net loans is 61%. *Summit*'s Tier 1 risk based capital to risk weighted assets equals 10.56% and Tier 1 leverage capital equals 7.11%.

*Summit* offers a full range of traditional banking products and services. The bank also offers an array of business accounts services that include international banking, business lending, business deposit accounts, and cash management. In addition, *Summit* is a preferred Small Business Administration (SBA) lender and offers a variety of financing options for small businesses. *Summit* is primarily a small business lender.

There is no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment area. The bank's rating at its preceding CRA examination, dated June 1, 1998, was "*Satisfactory Record of Meeting Community Credit Needs.*"

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment and Service Tests.

For the Lending Test, we reviewed and evaluated small business loans and community development loans. We did not evaluate HMDA reportable loans because this product was not a significant lending activity of the bank. During this evaluation period, the bank reported only six HMDA loans. Based on the low volume of home mortgage loans, a meaningful analysis of this activity could not be performed. Also, small loans to farms were not originated during this evaluation period and, as a result, are not discussed in this public evaluation. With the exception of community development (CD) loans, the evaluation period for the Lending Test is July 1, 1998 through December 31, 2000.

For the Investment and Service Tests and CD loans, the evaluation period is July 1, 1998 through August 6, 2001.

While the bank has been a HMDA reported since the prior CRA examination, *Summit* was required by federal regulation to begin collecting data regarding small business lending activity for calendar 2000. Once collected, this data was reported to the appropriate regulatory agency by March 2001.

Management did not request an analysis of consumer loans because they were not material in number or dollar amount.

### Data Integrity

The accuracy of 2000 data reported for small business loans was verified. Small business loans were accurately reported. Also, any information regarding qualified investments, community development loans and community development services were reviewed to attest to their accuracy. No significant inaccuracies were noted.

### Selection of Areas for Full-Scope Review

The bank's assessment area is comprised solely of the Atlanta and San Jose MSAs. Both areas received full scope reviews. However, the ratings are based primarily on the results of the Atlanta MSA which is the most significant market in which the bank operates. The Atlanta MSA provides 84% of the bank's deposits and 84% of the bank's loans. *Summit* entered the San Jose MSA in June 1998 and its presence is limited to one branch in the assessment area.

Refer to the "Scope" section under each State Rating for details regarding how the areas were selected.



## Ratings

The bank's overall rating is a blend of the state ratings. The state of Georgia rating received the most weight since a significant majority of *Summit's* deposits and loans and a substantial majority of bank offices are located in this rated area. The state of California received the least weight since only 16% of *Summit's* deposits and loans are located in the rated area.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

## Fair Lending Review

An analysis of the most recent year's public comments and consumer complaint information, and HMDA data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in August 1998.

## State Rating

### State of Georgia

<b>CRA Rating for Georgia:</b>	<u>Outstanding</u>
<b>The lending test is rated:</b>	<u>Outstanding</u>
<b>The investment test is rated:</b>	<u>Outstanding</u>
<b>The service test is rated:</b>	<u>Low Satisfactory</u>

The major factors that support this rating include:

#### Lending Test

- Lending levels reflect good responsiveness to assessment area credit needs.
- A substantial majority of the loans are made in the bank's assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment area.
- *Summit* exhibits a good record of serving the credit needs of small loans to businesses.
- *Summit's* level of community development lending activities is excellent and had a positive impact on the bank's lending performance.

#### Investment Test

- Based on investment and grant activities and available opportunities, the level of qualified investments is excellent.
- *Summit* exhibits an excellent responsiveness to credit and community development needs.

#### Service Test

- Delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the assessment area.
- Record of opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly to low- and moderate- income geographies.
- Services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate- income geographies and/or low- and moderate- income individuals.
- *Summit* provides an adequate level of community development services.

## Description of Institution's Operations in Georgia

Refer to the market profiles for the state of Georgia in appendix D for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in Georgia

The scope of the evaluation in Georgia included a full-scope review of the Atlanta MSA. The Atlanta MSA represents the sole assessment area in the state of Georgia and its largest market. This assessment area accounts for 84% of the loans and 84% of the deposits as of June 30, 2001. See Appendix A for more information.

We placed the most weight on the bank's small loans to businesses and CD loans when evaluating CRA performance based on identified credit needs and the fact that these products were granted more than any other bank products.

We performed two community contacts during the data integrity review conducted in March 2001. In addition, a review was made of community contact forms compiled by other regulatory agencies for this assessment area. The types of organizations contacted were the local Chamber of Commerce and an economic development corporation. The primary credit needs identified by these contacts were affordable housing (rental, 1-4 family residential, and rehabilitation) and small business loans (start-up and working capital). Also, the community contacts indicated that there is a need for down payment assistance programs for low- and moderate-income families.

Based on our contacts and review, there is ample opportunity for banks in the AA to make community development loans, investments and provide community development services. There are several CDCs, a small business development corporation, non-profit housing organizations and credit counseling agencies that operate in the AA. However, competition remains keen among the banks, other financial institutions and local organizations to provide the products and services needed by the community.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Georgia is rated **Outstanding**. Based on full-scope reviews, the bank's performance in the Atlanta MSA is excellent. The bank demonstrated an excellent record of meeting the credit needs of its assessment areas through small loans to businesses, and community development loans. The bank's CD lending performance was very strong, particularly in light of intense competition for such loans in the Atlanta MSA. The positive impact of CD lending on the Atlanta MSA was significant, with 340 housing units targeted to low- and moderate-income individuals being financed. Another positive factor contributing to the bank's excellent performance under the Lending Test is that the dollar volume of CD lending represented 30% of Tier 1 Capital on a pro-rata basis based on deposits in the Atlanta MSA.

## **Lending Activity**

Refer to Table 1 in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect a good responsiveness to credit needs in the Atlanta MSA. During this evaluation period, *Summit* generated 215 small loans to businesses totaling approximately \$35.7 million. In addition, the bank originated 6 community development loans totaling \$5.6 million. In view of the bank's deposit market share of less than one-half of one-percent in the Atlanta MSA, *Summit's* small business lending level is good. As of June 30, 2000, *Summit's* deposit share rank in the AA was thirty-one out of a total of 116 banks in the Atlanta MSA.

The bank's performance is further supported by its favorable loan-to-deposit ratio of 77.37% at year-end 2000 in comparison to its peer group of banks at 77.75%.

No market share data was available for the year 2000 because this was the first year that the bank was required to collect data. The data collected was reported in 2001.

## **Distribution of Loans by Income Level of the Geography**

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

Refer to Tables 2, 3 and 4 in the state of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The number and amount of home mortgage loans originated in the state of Georgia were insignificant and not evaluated for analytical purposes. The bank originated only five home mortgage loans in the state of Georgia for this evaluation period.

### ***Small Loans to Businesses***

Refer to Table 5 in the state of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good.

The geographic distribution of small loans to business in the Atlanta MSA is good. The bank's percent of small loans to businesses in low-income geographies is equal to the percent of businesses in these geographies. The bank's percent of small loans to businesses in moderate-income geographies is near to the percent of businesses in these geographies. No market share data was available for the year 2000 because this was the first year that the bank was required to collect data. The data collected was reported in 2001.

### ***Small Loans to Farms***

Refer to Table 6 in the state of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Not applicable.

### ***Lending Gap Analysis***

Reports detailing the bank's lending activity over the evaluation period were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified. All geographies had small loans to businesses.

### ***Inside/Outside Ratio***

A substantial majority of the bank's loan originations were in its AA. Overall, ninety-four percent of *Summit's* loan originations were within its AA. By loan product, ninety-three percent of small loans to businesses were inside the AA. This analysis was performed on the entire bank rather than by AA.

## **Distribution of Loans by Income Level of the Borrower**

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

Refer to Tables 7, 8, and 9 in the state of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The number and amount of home mortgage loans originated in the state of Georgia were insignificant and not evaluated for analytical purposes. The bank originated only five home mortgage loans in the state of Georgia for this evaluation period.

### ***Small Loans to Businesses***

Refer to Table 10 in the state of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The overall distribution of small loans to business by income level was adequate. *Summit's* percent of small loans to businesses (businesses with annual revenues \$1 million dollars or less) was somewhat lower than the percentage of small businesses in the assessment area. The majority of the bank's loans were for amounts less than \$100,000. Competition is keen among financial institutions to grant small loans to businesses in the assessment area. Financial institutions in the assessment area may range from a national, regional, state, or local affiliated bank, brokerage firm, insurance group or other financial services company. No market share data was available for the year 2000 because this was the first year that the bank was required to collect data. The data collected was reported in 2001.

### ***Small Loans to Farms***

Refer to Table 11 in the state of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Not applicable.

### **Community Development Lending**

Refer to Table 1 in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending performance throughout the Atlanta MSA is excellent. In addition to originating a high number and dollar volume of CD loans, these loans addressed some of the most challenging credit needs within the full-scope assessment area and had a positive impact on lending performance.

During the evaluation period, *Summit* originated 6 CD loans totaling \$5.625 million in the Atlanta MSA. This represents 30% of Tier 1 capital on a pro-rata basis based on deposits in the Atlanta MSA. The majority of CD loans supported affordable housing loans for low- and moderate-income individuals, a primary credit need in the assessment area. Proceeds from 5 CD loans totaling \$4.2 million were used to fund the construction or purchase of 340 multi-family units targeted for low- and moderate-income individuals. Affordable housing CD loans for low- and moderate-income people represented 83% of total CD loans by number and 75% by dollar amount.

The remaining CD loan of \$1.4 million was to an organization that provides SBA 7 (a) and 604 loans. The proceeds were used to buy an interest in a pool of mortgage-backed securities used to purchase and/or rehabilitate affordable housing for low- and moderate-income individuals.

### **Product Innovation and Flexibility**

*Summit* does not offer any innovative or flexible lending products targeted to low or moderate-income individuals in Georgia. This factor had a neutral impact on the performance evaluation of the lending test.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 12 in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the investment test in Georgia is rated **Outstanding**. Based on full-scope reviews, the bank's performance in the Atlanta MSA is excellent. Please refer to the Scope of Evaluation in Georgia section for comments regarding CD investment opportunities.

**Current Period Investments:** During the evaluation period, the bank originated 13 CD investments and donations in the Atlanta MSA totaling \$4.753 million. This level of investments represents 26% of pro-rata Tier 1 capital for the Atlanta MSA. In addition, the impact of investments on the community is high. Ninety-nine percent of these investments by dollar volume addressed the identified need of affordable housing for low- and moderate-income individuals. The two affordable housing investments, totaling \$4.7 million were government guaranteed securities backed by mortgages on properties occupied by low- and moderate income individuals. Proceeds from the bank's bond investments were responsible for constructing 145 affordable housing units for low- and moderate-income individuals in the Atlanta MSA. This represented a significant positive impact within the bank's assessment area.

- \$3,700,000 FNMA mortgage backed security. Proceeds were used to construct a multi-family rental housing property containing 132 units targeted at low- and moderate-income families in DeKalb County. The apartments were built using Low Income Housing Tax Credits. Properties built using Low Income Housing Tax Credits require that a certain number of the units be set aside for low- and moderate-income residents.
- \$1,000,000 FNMA mortgage backed security. Proceeds were used to construct 13 single-family homes occupied by low- and moderate-income families in the Atlanta MSA.

**Grants and Donations:** During this evaluation period, the bank originated 11 grants and donations to eight CD organizations totaling \$52,675. These grants were to organizations that had as their primary mission affordable housing for low- and moderate-income people, economic development, and providing services to low- and moderate-income people. The largest grant, to the International Village Cultural Center for \$50,000, was for providing community development services such as day care operations and job training programs to low- and moderate- income individuals.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Georgia is rated **Low Satisfactory**. Based on full-scope reviews, the bank's performance in the Atlanta MSA adequate.

#### Retail Banking Services

Refer to Table 13 in the state of Georgia section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

*Summit's* service delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the assessment area. The bank has four offices and four ATMs within the Atlanta MSA. Three of these offices are in middle-income geographies and one office is located in an upper-income geography. Although *Summit* has no offices in low- or



moderate-income geographies, its services are accessible to individuals located in low- and moderate-income geographies. One branch office is located in a middle-income geography adjoining to two moderate-income geographies. Thirty-eight percent of the families in this middle-income geography are categorized as low- or moderate-income. While the two adjoining moderate-income geographies have sixty-eight percent of its families categorized as low- or moderate-income.

To the extent changes have been made, *Summit's* record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate income geographies. Effective June 16, 2000, *Summit* closed its Franklin Road Branch, which was located in a moderate-income geography in Marietta, Cobb County, Georgia. Prior to its closings, this was the only branch located in a low- or moderate-income geography. The branch was closed because of nominal deposit growth during its four years of operations. All accounts were transferred to the Vinings Office located approximately five miles from the Franklin Road Branch.

*Summit's* services and business hours in the Atlanta MSA do not vary in a way that inconveniences portions of the Atlanta MSA, particularly low- and moderate- income individuals and/or low- and moderate-income geographies. The branches in the Atlanta MSA has traditional banking hours Monday through Friday from 9:00 AM to 4:00 PM. The Asian Banking Center is the only office open on Saturdays from 9:00 AM to 2:00 PM.

### **Community Development Services**

Based on the type of services provided and number of participating employees, *Summit* provides an adequate level of community development services based on the number of employees participating and the number of organizations benefiting. The types of services provided are not innovative in nature, but are responsive to the needs of the community. A total of four employees provided financial services to nine qualified community development organizations during the evaluation period.

The following is a list of the financial services that were provided to qualified community development organizations during the evaluation period:

- Serving as a board member, Chairman, or Vice Chairman for four organizations that provide community development services to low- and moderate-income individuals; and,
- Serving as a Board of Director or member on the finance or budget committee for organizations promoting economic development by financing small businesses that support permanent job creation and retention for low- and moderate-income individuals or low- and moderate-income geographies.

## State Rating

### State of California

<b>CRA Rating for California:</b>	<u>Satisfactory</u>
<b>The lending test is rated:</b>	<u>Low Satisfactory</u>
<b>The investment test is rated:</b>	<u>Low Satisfactory</u>
<b>The service test is rated:</b>	<u>Low Satisfactory</u>

The major factors that support this rating include:

#### Lending Test

- Lending levels reflect an adequate responsiveness to assessment area credit needs.
- The geographic distribution of loans reflects excellent penetration throughout the assessment area.
- Distribution of small loans to businesses by income level is adequate.

#### Investment Test

- Based on investment and grant activities and available opportunities, the level of qualified investments is adequate.
- *Summit* exhibits an adequate responsiveness to credit and community development needs.

#### Service Test

- Delivery systems are accessible to geographies and individuals of different income levels throughout the assessment area.
- Record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or low- and moderate-income individuals.
- Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or low- and moderate-income individuals.
- *Summit* provides an adequate level of community development services.

## Description of Institution's Operations in California

Refer to the market profiles for the state of California in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in California

*Summit* has only one branch in California, which was acquired in June 1998. The branch is located in the San Jose MSA, which is designated as the bank's assessment area in the State. The San Jose MSA was selected for a full-scope review. The ratings for the State of California are based on the results of those areas that received full-scope reviews. See the table in Appendix A for more information.

While we did not formally contact any community groups during this examination, previous contacts performed by our Office and other regulatory agencies, revealed that affordable housing loans for low and moderate income families and small loans to businesses were the primary credit needs of the community.

We did determine that there are available community development and investment opportunities in the bank's assessment area. These opportunities include nonprofit housing organizations that promote affordable housing for low- and moderate-income individuals in need of funds for operations. In addition, there are opportunities for small business and small farm loans, investments and services.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in California is rated **Low Satisfactory**. Based on full-scope reviews, the bank's performance in the San Jose MSA is adequate.

### Lending Activity

Refer to Table 1 in the state of California section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect an adequate responsiveness to credit needs in the San Jose MSA. During this evaluation period, *Summit* generated 28 small loans to businesses totaling approximately \$4 million. In view of the bank's deposit market share of less than one-half of one-percent in the San Jose MSA, *Summit's* small business lending level is adequate. As of June 30, 2000, *Summit's* deposit share rank in the AA was thirty-six out of a total of 154 banks in the San Jose MSA.

Relative to its deposit market share, *Summit's* small business lending level is adequate. No market share data was available for the year 2000 because this was the first year that the bank was required to collect data. The data collected was reported in 2001.

## **Distribution of Loans by Income Level of the Geography**

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

Refer to Tables 2, 3 and 4 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The number and amount of home mortgage loans originated in the state of California were insignificant and not evaluated for analytical purposes. The bank originated only one home mortgage loan in the state of California for this evaluation period.

### ***Small Loans to Businesses***

Refer to Table 5 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The bank's percent of small loans to businesses in low-income geographies is near to the percent of businesses in these geographies. The bank's percent of small loans to businesses in moderate-income geographies exceeds the percent of businesses in these geographies. No market share data was available for the year 2000 because this was the first year that the bank was required to collect data. The data collected was reported in 2001.

### ***Small Loans to Farms***

Refer to Table 6 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Not applicable.

### ***Lending Gap Analysis***

Reports detailing the bank's lending activity over the evaluation period were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified. All geographies had small loans to businesses.

### ***Inside/Outside Ratio***

This analysis was performed at the bank level as opposed to the state level and is discussed in the state of Georgia section of this report.

## **Distribution of Loans by Income Level of the Borrower**

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

Refer to Tables 7, 8, and 9 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The number and amount of home mortgage loans originated in the state of California were insignificant and not evaluated for analytical purposes. The bank originated only one home mortgage loan in the state of California for this evaluation period.

### ***Small Loans to Businesses***

Refer to Table 10 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The overall distribution of small loans to businesses by income level is adequate. *Summit's* percent of small loans to businesses (businesses with annual revenues \$1 million dollars or less) was somewhat lower than the percentage of small businesses in the assessment area. Because of keen competition among the banks, other financial institutions and local organizations to provide products and services to small businesses and coupled with the fact that *Summit* has only one office in the San Jose MSA, these aspects effected the volume of small loans to businesses being extended. The majority of the bank's loans were for amounts less than \$100,000.

No market share data was available for the year 2000 because this was the first year that the bank was required to collect data. The data collected was reported in 2001.

### ***Small Loans to Farms***

Refer to Table 11 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Not applicable.

## **Community Development Lending**

Refer to Table 1 in the state of California section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

*Summit* did not originate any qualified community development loans in California during this evaluation period. This factor had a neutral impact on the performance evaluation of the lending test.

## **Product Innovation and Flexibility**

*Summit* does not offer innovative or flexible loan products targeted to low- or moderate-income individuals in California. This factor had a neutral impact on the performance evaluation of the lending test.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in California is rated **Low Satisfactory**. Based on full-scope reviews, the bank's performance in the San Jose MSA is adequate.

Refer to Table 12 in the state of California section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Qualified CD investments in the San Jose MSA totaled \$100,000 during this evaluation period. This volume of investments represents 3% of pro-rata Tier 1 capital for the San Jose MSA. More than ninety-nine percent of total investments consist of equity investments in two Lenders for Community Development (LCD) Loan Programs.

One equity investment of \$50,000 was to a LCD Affordable Housing Loan Pool that makes large construction loans for multi-family, affordable housing projects for low- and moderate-income individuals. Under this program, four loans have been originated for \$5.9 million of which 100% was originated in low- and moderate-income geographies. Approximately 129 units are being made available to individuals earning less than 80% of the median income.

Another \$50,000 equity investment was to a LCD Small Business Micro-Loan Program that promotes economic development by financing businesses that have gross annual revenues of \$1 million or less. This LCD provides fixed rate micro-loans up to \$50,000 for qualifying small businesses that support permanent job creation and retention. The program is targeted to small businesses located in low-income geographies.

*Summit* also has entered into a legally binding commitment for \$100,000 in equity capital for a fund managed by the Neighborhood Housing Services Silicon Valley. The fund will assist low- and moderate-income first-time homebuyers acquire homes. The fund was created with a \$2 million grant from the City of San Jose and \$3.1 million in equity from a variety of banks and non-profit lenders.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in California is rated **Low Satisfactory**. Based on full-scope reviews, the bank's performance in the San Jose MSA is adequate.

## **Retail Banking Services**

Refer to Table 13 in the state of California section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

*Summit's* delivery systems are accessible to geographies and individuals of different income levels throughout the assessment area. The bank's lone office in California is located in a moderate-income geography in the San Jose MSA.

Since *Summit* acquired the California branch in 1998, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or low- and moderate-income individuals. Since its acquisition, no new branches have been opened and no existing branches have been closed.

*Summit's* office hours and services in the San Jose MSA do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. The San Jose office banking hours are Monday through Friday from 9:00 AM to 4:00 PM and is open on Saturday from 9:00 AM to 2:00 PM.

## **Community Development Services**

Based on the type of services provided and number of participating employees, *Summit* provides an adequate level of community development services. Two employees provided financial services to a qualified community development organization during the evaluation period.

The overall level of community development services is adequate.

A Vice President and Senior Loan Officer at the San Jose office serves on the loan committee for the Neighborhood Housing Services of Silicon Valley (NHSSV). The NHSSV helps low- and moderate-income first-time homebuyers acquire homes by providing second mortgages that do not require interest or principal payments for five years. The loan committee underwrites loans, performs credit analysis and makes credit decisions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 7/01/98 to 12/31/00 Investment and Service Tests and CD Loans: 7/01/98 to 8/06/01	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The Summit National Bank (Summit) Atlanta, Georgia	Small Business and Community Development Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
State of Georgia Atlanta MSA #0520	Full-Scope	Counties of Barrow, Bartow, Carroll, Cherokee, Clay, Cobb, Coweta, Dekalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, Walton
State of California San Jose MSA #7400	Full-Scope	County of Santa Clara



## Appendix B: Summary of State Ratings

RATINGS      The Summit National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
The Summit National Bank	Outstanding	Outstanding	Low Satisfactory	Outstanding
State:				
State of Georgia	Outstanding	Outstanding	Low Satisfactory	Outstanding
State of California	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

# Appendix C: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Atlanta, GA MSA..... C-2  
San Jose, CA MSA..... C-4

State of Georgia

**Atlanta MSA Assessment Area**

Demographic Information for Full-Scope Area: Atlanta MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	504	12	23	38	26	1
Population by Geography	2,959,950	6	20	45	29	0
Owner-Occupied Housing by Geography	691,396	3	17	45	35	0
Businesses by Geography	160,144	4	16	43	37	0
Farms by Geography	3,116	1	16	50	33	0
Family Distribution by Income Level	784,394	19	18	24	39	0
Distribution of Low- and Moderate- Income Families throughout AA Geographies	296,236	11	31	44	14	0
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$43,080 = \$66,500 = 10.02%	Median Housing Value Unemployment Rate				= \$97,028 = 2.87%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census and 2001 HUD updated MFI.

*Summit's* assessment area meets the technical requirements of the Act and does not arbitrarily exclude low and moderate-income census areas. The bank has designated the Atlanta Metropolitan Statistical Area (MSA) as its primary assessment area.

The defined assessment area is comprised of a twenty-county area surrounding the city of Atlanta with a total of 504 census tracts. According to the 1990 United States Census, the population of this defined area is approximately 3 million people. The census median family income for the assessment area is \$41,047. The Department of Housing and Urban Development's (HUD) *updated* median family income estimate for the Atlanta MSA in 2001 is currently \$66,500. The unemployment rate for the City of Atlanta was 5.2% in 2000, while the rate for the state of Georgia was 4.0% and the U.S. was 4.2%.

The Atlanta MSA is internationally recognized as the transportation, communication, industrial, and cultural center of the Southeastern United States. The Atlanta MSA has one of the strongest economies of any major urban area. Due to its location and extensive transportation network, Atlanta has developed as a major distribution center for the Southeast. Distribution and associated industrial activities are gradually being transferred to other urban centers in the South, while Atlanta has evolved as a major provider of technological and financial support services.

The Atlanta MSA has a diverse industrial base that includes manufacturing, transportation, distribution, retailing, wholesaling, finance, government, research, education, medicine, and

technical support. Ninety percent (90%) of the Fortune 500 companies maintain regional offices in the Atlanta area. In addition, ninety-eight of the nation's top industrial firms maintain some type of operational facility in metro Atlanta. Foreign trade has played a significant role in the area's growth over the last two decades. More than 200 foreign firms have established their U.S. headquarters in Atlanta. Of these companies, thirty-one are foreign-based banks with offices in Atlanta.

*Summit* has four offices in the Atlanta MSA with total deposits of \$199 million at June 30, 2001. This represents 84% of the bank's deposits. In addition to *Summit*, area competition for financial services is keen and includes several multinational and regional banks, local community banks, savings banks, credit unions and other multi-national financial services companies.

Refer to the Scope of the Evaluation section for the state of Georgia of the Performance Evaluation for additional information on the identified credit needs and the community development lending, investments, and service opportunities in the bank's total AA.

State of California

**San Jose MSA Assessment Area**

Demographic Information for Full-Scope Area: San Jose MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	385	3	15	42	19	21
Population by Geography	1,497,577	4	21	55	20	0
Owner-Occupied Housing by Geography	307,324	1	14	57	28	0
Businesses by Geography	67,329	6	24	51	19	0
Farms by Geography	1,167	4	23	53	20	0
Family Distribution by Income Level	364,307	19	19	24	38	0
Distribution of Low- and Moderate- Income Families throughout AA Geographies	136,254	6	30	53	11	0
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$55,904 = \$87,300 = 5.98%	Median Housing Value Unemployment Rate				= \$295,613 = 2.67%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census and 2001 HUD updated MFI.

*Summit's* assessment area meets the technical requirements of the Act and does not arbitrarily exclude low and moderate-income census areas. The bank has designated the San Jose Metropolitan Statistical Area (MSA) as its primary assessment area.

The San Jose MSA consists entirely of Santa Clara County, California. Santa Clara County is the home of “Silicon Valley” and is one of the nation’s strongest and most diverse economies. It has more of the nations 100 fastest growing high-tech global manufacturers than any state except Massachusetts. The average household income in Santa Clara County is 50% higher than the national average household income. The unemployment rate for Santa Clara County was 3% in 1999 and 2% in 2000. The City of San Jose, the eleventh largest city in the United States with an estimated population of 972 thousand, is located in Santa Clara County. San Jose’s population comprises more than half of Santa Clara County’s estimated population of 1.75 million at year-end 2000.

Major employers in Santa Clara County include county government - 13,500; IBM - 8,700; Cisco Systems - 7,000; City of San Jose - 6,300; U.S. Postal Service - 3,430; San Jose State University - 3,395; and Pacific Bell - 2,400.

According to California Association of Realtors, the median price of a home in March 2000 in the City of San Jose was \$410,000. Seven of ten people, who do not already own a home, cannot afford to buy a home in San Jose and only 24% of Santa Clara households could afford to

purchase a median-priced single family home in January 2000. In March 2000, there were only 53 single family homes in the City of San Jose offered at \$330,000 or less. This makes it difficult for people of many professions to afford a home in San Jose. Per the 1990 census data, there were 540,240 housing units in Santa Clara County, of which 57% were owner-occupied, 39% were rental-occupied, and 4% were vacant.

*Summit* has one office in Santa Clara County, which had total deposits of \$31 million at June 30, 2001. This represented 16% of *Summit's* total deposits. The bank has one ATM at this branch location.

Competition to provide financial services within Santa Clara County is intense. In addition to local commercial banks, savings banks and credit unions, *Summit* faces competition from multinational and large regional banks and non-traditional lenders such as mortgage, finance, trust and investment companies. According to 1999 data, one hundred twenty-four (124) financial institutions reported small business loans to regulatory agencies for CRA purposes. *Summit* did not report small business loans during 1999 and, therefore, does not appear on the list of financial institutions.

Refer to the Scope of the Evaluation section for the state of Georgia of the Performance Evaluation for additional information on the identified credit needs and the community development lending, investments, and service opportunities in the bank's total AA.

Appendix D: Tables of Performance Data

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**CONTENT OF STANDARDIZED TABLES .....D-2**

**TABLES OF PERFORMANCE DATA .....D-4**

**STATE OF GEORGIA .....D-4**

**STATE OF CALIFORNIA .....D-11**

## Content of Standardized Tables

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A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market share information based on the most recent aggregate market data available.



- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the call reports as an off-balance-sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)**  
 - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

**Table of Performance Data**

**Table 1. Lending Volume**

LENDING VOLUME													State: Georgia	Evaluation Period: July 1, 1998 TO December 31, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)				
Full-Scope:															
Atlanta MSA	100%	5	443	215	35,740	0	0	6	5,625	226	41,808	100%			

\* Deposit data as of June 30, 2001

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																	State: Georgia	Evaluation Period: July 1, 1998 TO December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total*			
Full-Scope:																			
Atlanta MSA	3%	0	17%	0	45%	0	35%	100%	NA	NA	NA	NA	NA	NA	1	100%			

(\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT																	State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans									
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**								
Full-Scope:																								
Atlanta MSA	3%	25%	17%	0	45%	0	35%	75%	NA	NA	NA	NA	NA	NA	4	100%								

(\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans									
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**								
Full-Scope:																								
Atlanta MSA	3%	0	17%	0	45%	0	35%	0	NA	NA	NA	NA	NA	NA	0	0%								

(\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES										State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans		
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
Atlanta MSA	4%	4%	16%	13%	43%	41%	37%	42%	NA	NA	NA	NA	NA	NA	215	100%	

(\*) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS										State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans		
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
Atlanta MSA	1%	0	16%	0	50%	0	33%	0	NA	NA	NA	NA	NA	NA	0	0%	

(\*) Based on 1999 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE																	State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Atlanta MSA	19%	0	18%	0	24%	0	39%	100%	NA	NA	NA	NA	NA	NA	1	100%							

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT																	State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Atlanta MSA	19%	0	18%	0	24%	0	39%	100%	NA	NA	NA	NA	NA	NA	4	100%							

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE										State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full-Scope:																	
Atlanta MSA	19%	0	18%	0	24%	0	39%	0	NA	NA	NA	NA	NA	NA	0	0%	

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				State: Georgia		Evaluation Period: July 1, 1998 TO December 31, 2000				
MSA/Assessment Area:	Businesses with Revenues of \$ 1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses		
	% of Businesses*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****	
Full-Scope:										
Atlanta MSA	85%	53%	54%	21%	25%	NA	NA	215	100%	

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0% of small loans to businesses originated and purchased by the bank.

(\*\*\*) Based on 1999 Aggregate Small Business Data only.

(\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM		State: Georgia				Evaluation Period: July 1, 1998 to December 31, 2000			
MSA/Assessment Area:	Farms with Revenues of \$ 1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% Bank Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Atlanta MSA	93%	0	0%	0%	0%	NA	NA	0	0%

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

(\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0% of small loans to farms originated and purchased by the bank.

(\*\*\*) Based on 1999 Aggregate Small Farm Data only.

(\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS		State: Georgia		Evaluation Period: July 1, 1998 TO August 6, 2001					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Full-Scope:									
Atlanta MSA	0	0	13	4,753	13	4,753	100%	0	0

(\*) APrior Period Investments@means investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*) AUnfunded Commitments@means legally binding investment commitments reported on the Report of Condition Schedule-L AOff Balance Sheet Items.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										State: Georgia		Evaluation Period: July 1, 1998 TO August 6, 2001					
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Atlanta MSA	100%	4	100%	0%	0%	75%	25%	1	0	0	-1	0	0	6%	20%	45%	29%



**Table 1. Lending Volume**

LENDING VOLUME													State: California		Evaluation Period: July 1, 1998 TO December 31, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
San Jose MSA	100%	1	35	28	4,063	0	0	0	0	29	4,098	100%				

\* Deposit data as of June 30, 2001

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																	State: California		Evaluation Period: July 1, 1998 TO December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
San Jose MSA	1%	0	14%	0	57%	0	28%	0%	NA	NA	NA	NA	NA	NA	0	0%				

(\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT										State: California		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
San Jose MSA	1%	0	14%	0	57%	100%	28%	0%	NA	NA	NA	NA	NA	NA	1	100%	

(\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										State: California		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
San Jose MSA	1%	0	14%	0	57%	0	28%	0%	NA	NA	NA	NA	NA	NA	0	0%	

(\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES										State: California		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans		
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
San Jose MSA	6%	4%	24%	54%	51%	35%	19%	7%	NA	NA	NA	NA	NA	NA	28	100%	

(\*) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.  
 (\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS										State: California		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans		
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
San Jose MSA	4%	0	23%	0	53%	0	20%	0%	NA	NA	NA	NA	NA	NA	0	0%	

(\*) Based on 1999 Aggregate Small Farm Data only. Market rank is for all income categories combined.  
 (\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE																	State: California		Evaluation Period: July 1, 1998 TO December 31, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
San Jose MSA	19%	0%	19%	0%	24%	0%	38%	0%	NA	NA	NA	NA	NA	NA	0	0%							

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.  
 (\*\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 (\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT																	State: California		Evaluation Period: July 1, 1998 TO December 31, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
San Jose MSA	19%	100%	19%	0%	24%	0%	38%	0%	NA	NA	NA	NA	NA	NA	1	100%							

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.  
 (\*\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 (\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE																	State: California		Evaluation Period: July 1, 1998 TO December 31, 2000					
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans									
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***								
Full-Scope:																								
San Jose MSA	19%	0%	19%	0%	24%	0%	38%	0%	NA	NA	NA	NA	NA	NA	0	0%								

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES										State: California		Evaluation Period: July 1, 1998 TO December 31, 2000				
MSA/Assessment Area:	Businesses with Revenues of \$ 1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses								
	% of Businesses*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****							
Full-Scope:																
San Jose MSA	84%	68%	54%	32%	14%	NA	NA	28	100%							

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0% of small loans to businesses originated and purchased by the bank.

(\*\*\*) Based on 1999 Aggregate Small Business Data only.

(\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM		State: California				Evaluation Period: July 1, 1998 to December 31, 2000			
MSA/Assessment Area:	Farms with Revenues of \$ 1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% Bank Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
San Jose MSA	91%	0%	0%	0%	0%	NA	NA	0	0%

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

(\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0% of small loans to farms originated and purchased by the bank.

(\*\*\*) Based on 1999 Aggregate Small Farm Data only.

(\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS		State: California		Evaluation Period: July 1, 1998 TO August 6, 2001					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Full-Scope:									
San Jose MSA	NA	NA	3	100	3	100	100%	1	100

(\*) APrior Period Investments@means investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*) AUnfunded Commitments@means legally binding investment commitments reported on the Report of Condition Schedule-L AOff Balance Sheet Items.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								State: California		Evaluation Period: July 1, 1998 TO August 6, 2001							
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
San Jose MSA	100%	1	100%	0%	100%	0%	0%	0	0	0	0	0	0	4%	21%	55%	20%