



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

Public Disclosure

July 1, 2006

Community Reinvestment Act  
**Performance Evaluation**

The Harris Bank N.A.  
Charter Number: 24380

6720 N. Scottsdale Road  
Scottsdale, Arizona 85253

Office of the Comptroller of the Currency

Large Bank Supervision  
250 E. Street, SW  
Washington, DC 20219

**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 **Satisfactory**.

The following table indicates the performance level of The Harris Bank N.A. with respect to the lending, investment, and service tests:

Performance Levels	The Harris Bank N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		
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:

- A good responsiveness to the credit needs within the bank's assessment areas (AA);
- An adequate geographic distribution of loans;
- A good level of lending to borrowers of different income levels;
- A positive impact on lending performance attributed to community development lending;
- An excellent level of qualified investment activity;
- An adequate geographic distribution of bank offices; and
- A good level of community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. 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.

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

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental 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.

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

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

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited 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, and branch distribution).

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

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

**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 Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an

employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

**Tier One 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:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

The Harris Bank N.A. (THBNA) is a \$440 million bank headquartered in Scottsdale, Arizona with tier 1 capital of \$39 million as of June 30, 2006. THBNA's loan portfolio of \$375 million (85 percent of total assets) is comprised of real estate loans (\$318.5 million or 85 percent), commercial loans (\$32.7 million or 9 percent), loans to individuals (\$23 million or 6 percent), and other loans (\$1.1 million or 0 percent). It should be noted that during the evaluation period THBNA had assets that exceeded \$1 billion due to its relationship with an affiliate (Harris*direct*), which was sold during the evaluation period. Harris*direct*, an online discount brokerage, would process sizeable deposits through THBNA and its sale had a significant impact on the size of THBNA.

THBNA was created on November 25, 2002 at which time the former Harris Trust Bank of Arizona was merged into THBNA. Subsequently, two former trust companies were merged into THBNA, as was Harris' Florida bank (Harris Trust/Bank of Montreal).

The purpose for the creation of THBNA and the consolidation of several other bank offices was to better integrate the wealth management strategy for clients served by the Harris organization in the Arizona, Florida, and Washington markets. The newly created THBNA has not been previously examined for compliance with the Community Reinvestment Act.

THBNA is wholly-owned by Harris Bankcorp, Inc. (HBI) which in turn is wholly-owned by Harris Financial Corporation (HFC). HFC is wholly-owned by BMO Financial Group (BMO) based in Toronto, Canada. BMO had total assets of \$311.6 billion Canadian on July 31, 2006.

THBNA's primary emphasis is to offer a full range of wealth management banking, investment, trust and financial advisory products and services. It also offers a full-range of real estate, commercial, consumer credit, and deposit products and services. Its activities, together with those products and services offered through its affiliates, provide a wide-range of lending, investing and financial management solutions to personal, business, corporate and institutional clients.

There are no legal or financial factors impeding the bank's ability to help meet the credit needs within its communities.

For purposes of this evaluation, THBNA is an interstate bank operating in three states including seven assessment areas (AA) in Arizona, Florida and Washington.

THBNA has 12 office locations and 5 ATMs within its AA.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We reviewed THBNA's origination and purchase of home mortgage loans and small loans to businesses for the time period of January 1, 2002 through December 31, 2005. Additional weight was given to the bank's performance in the more recent 2004-2005 evaluation period. Also, more weight was placed on home mortgage loans since their volume was over five times the volume of loans to small businesses. Community development loans were reviewed from November 25, 2002 through July 1, 2006.

Our review of investments included an analysis of the investment portfolio and the donations and grants made between November 25, 2002 and July 1, 2006. Investments made prior to, but still outstanding after November 25, 2002, were also considered. We considered investments and donations or grants to organizations that have community development as their primary purpose.

Our evaluation of bank services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail banking services. We also considered the extent and innovativeness of the bank's community development services in meeting the credit needs within its AA. We reviewed bank services, including branch openings and closings, and community development services occurring between November 25, 2002 and July 1, 2006.

For borrower distribution, THBNA's 2002 through 2005 HMDA reported lending data and small business data was evaluated against the U.S. Department of Housing and Urban Development estimated median family income figures, and Dun and Bradstreet data, respectively. All of these figures are updated annually.

Recent changes made by the U.S. Census Bureau and Office of Management and Budget (OMB) impacted this CRA examination. The 2000 U.S. census resulted in a change to the boundaries and income levels of many existing geographies, deleted some geographies, and created some new geographies. These changes were effective January 1, 2003. Additionally, OMB revisions changed the boundaries of many existing MSA and created some new types of statistical areas effective January 1, 2004. The evaluation period included loans made in 2002, 2003, 2004 and 2005; therefore three separate analyses were completed. The tables in the Appendix to this evaluation will reflect the bank's performance during the January 1, 2002 through December 31, 2002 period using 1990 Census Data and previous OMB MSA definitions, the January 1, 2003 through December 31, 2003 period using 2000 Census Data and previous OMB MSA definitions, and the January 1, 2004 through December 31, 2005 period using 2000 Census Data and revised OMB MSA definitions. The results of these analyses were combined to obtain an overall rating.

### Data Integrity

We verified the accuracy of the publicly filed home mortgage loans and small loans to businesses. THBNA had no significant errors in its data that would preclude an accurate evaluation of its CRA performance.

We also verified information on community development loans, qualified investments, and community development services to ensure that these activities met the regulatory definitions. THBNA accurately identified its activities submitted to us for consideration. We determined which community development loans, investments and services met the definition of community development and included those under the Lending, Investment, or Services Test, respectively.

### **Selection of Areas for Full-Scope Review**

We selected one AA in each state in which the bank had an office. In Arizona and Florida we based our selection on the relative size of each office within these states based on deposits as reported on the FDIC website as of June 30, 2005.

In Arizona, we selected the Maricopa County AA for a full-scope review because it had 97 percent of the bank's deposits within that state. In Florida, we selected the Sarasota AA for a full-scope review with 41 percent of the bank's deposits within that state. In Washington, we selected the King AA because it is the only AA in that state.

### **Ratings**

The bank's overall rating is a blend of the state ratings. Again, we used deposit information to determine how we would blend the various state ratings. Based on the deposit distribution we weighted Arizona the most since it had 89.8 percent of the bank's deposits followed by Florida with 10 percent of the bank's deposits and finally Washington with 0.2 percent of the bank's deposits.

State ratings are based primarily on those areas that received full-scope reviews. Refer to the "Selection of Areas for Full-scope Review" section (above) for details.

### **Other**

We conducted twelve community contacts within the AA. The primary credit need identified is for economic development, affordable housing and affordable small business loans. There is ample opportunity for each of these needs within each AA.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of illegal discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## State Rating

### Arizona

<b>CRA Rating for Arizona:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- A good responsiveness to the credit needs within the bank's AA;
- An adequate geographic distribution of home mortgage loans;
- A good distribution of home mortgage loans to borrowers of different income levels;
- An excellent geographic distribution of small loans to businesses;
- An adequate distribution of small loans to businesses based on the size of the business;
- A positive impact on lending performance attributed to community development lending;
- An excellent level of qualified investment activity;
- An adequate geographic distribution of bank offices; and
- A good level of community development services.

### Description of Institution's Operations in Arizona

Refer to the "Market Profiles for Full-Scope Areas" for Arizona in Appendix C for detailed demographics and other performance context information for the Maricopa County AA.

In addition to the Maricopa County AA, THBNA has a second AA in Arizona which encompasses all of Pima County. Pima County is part of the Tucson Arizona MA (#46060). There is one office in the Pima County AA.

### Scope of Evaluation in Arizona

The Maricopa County AA received a full-scope review because it has the largest percentage of deposits in Arizona with 97 percent, as of June 30, 2005. The Pima County AA, with 3 percent of THBNA's statewide deposits received a limited-scope review. THBNA's activities in the Maricopa County AA weighed more heavily in arriving at the rating for the state of Arizona.

We conducted five community contacts in Arizona during the evaluation period. These organizations indicated that the greatest need in the area is for activities that promote

economic development, primarily for small businesses and small farms. In addition, we determined a need for affordable housing.

## **LENDING TEST**

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

THBNA's performance under the lending test in Arizona is rated high satisfactory. Based on the full-scope review, the bank's performance in the Maricopa County AA is good.

#### **Lending Activity**

THBNA's lending activity reflects good responsiveness to the credit needs of its AA. Lending activity in the Maricopa County AA is good. Refer to Table 1, Lending Volume in the state of Arizona section of Appendix D for the facts and data used to evaluate the bank's lending activity.

To provide perspective regarding the relative levels of lending volume in each AA, we also compared the bank's deposit market rank and market share to its market rank and market share for each loan product. Because of the large number of lenders compared to banks in each AA, we based our analysis on the bank's percentile rankings in the loan and deposit markets rather than the actual values of market share and market rank.

FDIC deposit market share data as of June 30, 2006 shows that THBNA ranks at the 76<sup>th</sup> percentile for deposit market share in the Maricopa County AA. The top three institutions, all large interstate financial institutions, capture over 64 percent of the AA deposits. Based on 2005 aggregate HMDA data for the Maricopa County AA, the bank ranks at the 82<sup>nd</sup> percentile for home purchase loans, the 52<sup>nd</sup> percentile for home improvement loans, and the 79<sup>th</sup> percentile for home refinance loans. According to 2005 aggregate small business loan data, the bank ranks at the 88<sup>th</sup> percentile for small loans to businesses in the Maricopa County AA.

THBNA's market share percentile ranking in the Maricopa County AA for home purchase loans and home refinance loans exceeds its percentile ranking for deposit market share. THBNA's market share percentile for home improvement loans is below its percentile ranking for deposit market share. The bank's market share percentile for small loans to businesses exceeds its percentile ranking for deposit market share.

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

THBNA's distribution of loans is adequate among geographies of different income levels. The geographic distribution of loans in the Maricopa County AA is adequate. Because THBNA's market share of home mortgage loans and small loans to businesses is too small to warrant a meaningful analysis, we did not consider market share data in evaluating the bank's geographic distribution of loans.

## Home Mortgage Loans

THBNA's geographic distribution of home mortgage loans in the Maricopa County AA is adequate. Refer to Tables 2, 3, 4, and 5 in the state of Arizona section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

THBNA's geographic distribution is adequate for home purchase loans and home refinance loans. THBNA has opted not to report home-equity lines of credit for home improvement purposes and therefore reported only 23 home improvement loans during the evaluation period. These loans were considered but not analyzed due to their small volume. Also, THBNA did not originate any multi-family loans during the evaluation period, so an analysis of these loans would not be meaningful.

### Home Purchase

The geographic distribution of home purchase loans in the 2004-2005 and 2003 evaluation periods is adequate. The percentage of home purchase loans made in low- and moderate-income geographies is somewhat below the percentage of owner occupied units.

The geographic distribution of home purchase loans in the 2002 evaluation period is adequate. The percentage of home purchase loans made in low-income geographies is somewhat below, and in moderate-income geographies is below, the percentage of owner occupied units.

### Home Refinance

The geographic distribution of home refinance loans in the 2004-2005 evaluation period is good. The percentage of home refinance loans made in low-income geographies exceeds, and in moderate-income geographies is somewhat below, the percentage of owner occupied units.

The geographic distribution of home refinance loans in the 2003 evaluation period is poor. The percentage of home refinance loans made in low- and moderate-income geographies is below the percentage of owner occupied units.

The geographic distribution of home refinance loans in the 2002 evaluation period is poor. The percentage of home refinance loans made in low-income geographies is below, and in moderate-income geographies significantly below, the percentage of owner occupied units.

## Small Loans to Businesses

The bank's geographic distribution of small loans to businesses in the Maricopa County AA is excellent. Refer to Table 6 in the state of Arizona 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 in the 2004-2005, 2003, and 2002 evaluation periods is excellent. The percentage of small loans to businesses made in low- and

moderate-income geographies exceeds the percentage of businesses within those geographies.

### **Lending Gap Analysis**

Reports detailing THBNA's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified in the Maricopa County AA.

### **Inside/Outside Ratio**

This analysis is based on the bank's performance at the state level rather than the AA level. For the state of Arizona, 95 percent of THBNA's loans are within its AA. By number of loans, 95 percent of home mortgage loans, 98 percent of small loans to businesses, and 100 percent of community development loans are within the bank's AA.

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

The bank's distribution of loans is good among borrowers of different income levels. The distribution of loans among individuals of different income levels in the Maricopa County AA is good. The bank's market share of home mortgage loans and small loans to businesses is too small to perform a meaningful analysis.

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

THBNA's distribution of home mortgage loans among individuals of different income levels in the Maricopa County AA is good. Refer to Tables 8, 9 and 10 in the State of Arizona 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.

THBNA's borrower distribution is good for home purchase loans and home refinance loans. The high poverty rate and high housing prices in relation to income are significant barriers to making home mortgage loans to low- and moderate-income individuals in the AA (see Market Profiles for Full-Scope Areas" for Arizona in Appendix C).

### **Home Purchase**

The borrower distribution of home purchase loans in the 2004-2005 evaluation period is good considering that almost 10 percent of households in the AA are living below the poverty level. The percentage of home purchase loans made to low-income individuals is below, and to moderate-income individuals somewhat below, the percentage of families defined as such.

The borrower distribution of home purchase loans in the 2003 evaluation period is excellent considering that almost 10 percent of households in the AA are living below the poverty level. The percentage of home purchase loans made to low- and moderate-income individuals is near the percentage of families defined as such.

The borrower distribution of home purchase loans in the 2002 evaluation period is excellent considering that almost 11 percent of households in the AA are living below the poverty level.

The percentage of home purchase loans made to low-income individuals is somewhat below, and to moderate-income individuals exceeds, the percentage of families defined as such.

### Home Refinance

The borrower distribution of home refinance loans in the 2004-2005 and 2003 evaluation periods is good considering that almost 10 percent of households in the AA are living below the poverty level. The percentage of home refinance loans made to low-income individuals is below, and to moderate-income individuals somewhat below, the percentage of families defined as such.

The borrower distribution of home refinance loans in the 2002 evaluation period is adequate considering that almost 11 percent of the households in the AA are living below the poverty level. The percentage of home refinance loans made to low-income individuals is below, and to moderate-income individuals is somewhat below, the percentage of families defined as such.

### **Small Loans to Businesses**

THBNA's distribution of small loans to businesses of different revenue sizes in the Maricopa County AA is adequate. Refer to Table 11 in the State of Arizona 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 distribution of small loans to businesses of different revenue sizes in the 2004-2005, 2003, and 2002 evaluation periods is adequate. The percentage of small loans to small businesses is somewhat below the percentage of businesses defined as such.

### **Community Development Lending**

Community development lending has a positive impact on the conclusions for the Maricopa County AA. Refer to Table 1, Lending Volume in the State of Arizona section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

To provide perspective regarding the relative level of community development lending, we allocated a portion of the bank's net Tier 1 capital to each AA based on its pro rata share of deposits.

THBNA has a good level of community development loans in the Maricopa County AA, given the community development needs and opportunities that exist in the AA (see "Market Profiles for Full-Scope Areas" for Arizona in Appendix C). During the evaluation period for community development loans, the bank made 20 community development loans totaling nearly \$2 million. The bank's community development lending represents 5.75 percent of Tier 1 capital and addresses the needs for affordable housing. The following examples highlight THBNA's community development lending in the Maricopa County AA:

- THBNA issued two lines of credit totaling \$931 thousand to a non-profit organization that provides economic development, affordable housing and social services in Arizona. Draws

totaling over \$931 thousand on both lines of credit helped build/renovate six homes during this evaluation period, all of which were sold to low- and moderate income borrowers.

- THBNA loaned \$150,000 to a non-profit organization that provides a full range of programs and services to encourage, create, and support homeownership for low- and moderate-income families in Phoenix and Maricopa County, Arizona. They provide homebuyer education, homeowner education, affordable single-family infill housing, and affordable mortgage loan products. This loan purchased a 25 percent interest in a loan pool that provides down payment assistance and allows these low- and moderate-income borrowers to purchase a home that otherwise would have been financially out of their reach.

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

Based on our limited-scope review, THBNA's performance under the lending test in the Pima County AA is not inconsistent with the bank's overall performance in the state of Arizona. Since only approximately 7 percent of THBNA's loans are in the Pima County AA, performance in this AA is not weighted heavily in the overall conclusion for the state of Arizona. Refer to the Tables 1 through 12 in the state of Arizona section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

THBNA's performance under the investment test in Arizona is rated outstanding. Based on a full-scope review, THBNA's performance in the Maricopa County AA is excellent. Refer to Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments. To provide perspective regarding the relative level of qualified investments, we allocated a portion of the bank's net Tier 1 capital to each AA based on its pro rata share of deposits.

In its investing activities, THBNA exhibited an excellent level of responsiveness to credit and community development needs. THBNA provided qualified investments within the Maricopa County AA through purchases of securities, cash contributions, and grants. Qualifying investments totaled just under \$7.0 million. The volume of total investments represents approximately 20.2 percent of the allocated Tier 1 capital. These investments address the identified needs for affordable housing and community services and are considered routine and non-complex in nature. (Refer to "Market Profiles for Full-Scope Areas" for Arizona in Appendix C). The following is a discussion of some of THBNA's qualified investments in the Maricopa County AA:

- THBNA purchased two mortgage-backed securities totaling \$2.3 million. The securities were backed by home mortgage loans originated to low- and moderate-income individuals throughout the AA.
- THBNA purchased 15 bonds totaling \$2.8 million benefiting 10 different school districts within the bank's AA. The bonds were used primarily for school improvements. More than 50 percent of the student population of the affected school districts is low-income.



Additional donations and grants were provided to organizations with a community development focus within the Maricopa County AA. THBNA made 61 contributions to 24 different community development organizations, totaling \$112 thousand during the evaluation period.

THBNA has several prior period investments that are recognized during this evaluation period. They include one mortgage backed security pool, with an outstanding balance of \$18 thousand and four school district bonds totaling \$670 thousand.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, THBNA's performance under the investment test in the Pima County AA is not inconsistent with the bank's overall performance in the state of Arizona. Since only 3 percent of THBNA's deposits are in the Pima County AA, performance in this AA is not weighted heavily in the overall conclusion for the state of Arizona. Refer to Table 14 in the state of Arizona section of Appendix D for the facts and data that support these conclusions.

### **SERVICE TEST**

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

THBNA's performance under the service test in Arizona is rated low satisfactory. Based on the full-scope review, the bank's performance in the Maricopa County AA is adequate.

#### **Retail Banking Services**

THBNA's systems for delivering retail banking services in the state of Arizona are reasonably accessible to geographies and individuals of different income levels. The bank has adequate accessibility of its service delivery systems in the Maricopa County AA. Refer to Table 15 in the state of Arizona 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.

THBNA has six office locations within the Maricopa County AA, one of which is in a moderate-income geography. There are no branches in low-income geographies, however, only 4.88 percent of the AA population lives within these geographies. The percentage of branches in moderate-income geographies is below the percentage of the population within these geographies.

During the evaluation period, THBNA closed one office located in an upper-income geography which did not adversely affect low- or moderate income geographies or individuals.

There are only minor differences in THBNA's services and business hours throughout the bank's AA, none of which adversely affect low- or moderate income geographies or individuals. With the exception of the "Carefree" branch, all offices are full service facilities offering traditional deposit and loan products. The full service locations office lobbies are open at 9:00 a.m. or earlier Monday through Friday and close at 4:00 p.m. Monday through Thursday and at

5:00 pm on Friday. The Carefree branch is a limited service facility and is open from 11:00 am until 3:30 pm, Monday through Friday. No locations are open on Saturday or Sunday.

### **Alternative Delivery Systems**

The bank offers various alternative systems for delivering retail banking services, including automated teller machines (ATMs), telephone banking, computer banking, direct deposit, bank by mail, night depository, and courier services. Because no data were available concerning the effectiveness of these systems to low- and moderate-income geographies and individuals, we did not place significant weight on these systems in the overall service test conclusions.

THBNA has four ATMs located within the Maricopa County AA, all of which are located at THBNA branches. No ATMs are located in low-income geographies and one is located in a moderate-income geography. Deposits and withdrawals can be made at all ATMs. The overall distribution of ATMs in moderate-income geographies (25.00 percent) is near the percentage of individuals living in these geographies (28.69 percent).

### **Community Development Services**

THBNA's performance in providing Community Development (CD) services in the Maricopa County AA is good. Bank management invests numerous hours in community development programs targeted to low- and moderate-income individuals and geographies within THBNA's AA, positively impacting the Service Test rating. These services include first-time homebuyer seminars, technical expertise to nonprofit or government organizations, and financial education and management skills. The following paragraphs describe a sample of the CD services THBNA's officers and employees provided during this evaluation period:

- THBNA conducted 13 First Time Home Buyers seminars. These seminars were held at various locations throughout the Maricopa County AA. Most of these were held in conjunction with community groups, local schools, and government bodies. These seminars were designed to guide homebuyers through the home buying process. Information was provided to participants on how to apply for a loan, repair credit problems and maintain the home once purchased. All of these seminars were targeted to low- and moderate-income individuals.
- A bank officer serves as the Vice-Chairman of the Board of Directors and the Chairman of the Loan Committee for the Local Initiative Support Corporation (LISC). LISC helps nonprofit community development organizations revitalize and stabilize distressed, low- and moderate-income neighborhoods within the bank's AA. LISC provides local community development organizations with loans, grants, and equity investments; local, statewide, and national policy support; as well as technical and management assistance.
- A bank officer serves as a member of the Scottsdale Housing Board. This board reviews all aspects of housing in Scottsdale, including affordable housing. They also review the conversion of affordable rental units into condominiums and the impact this has on affordable housing in the Scottsdale area.

- A loan officer is a member of Community Housing Resources. This organization provides pre-purchase home and default/delinquency counseling for low- and moderate-income individuals in the bank's AA.
- A bank officer serves as the chairman of the board of directors of the Family Service Agency of Phoenix. This agency provides family and financial counseling for low- and moderate-income families in the Maricopa County AA. Some of the services offered are substance abuse services; workshops and seminars for displaced homemakers, single parents and welfare-to-work participants; and job placement assistance.
- A bank officer serves as a member of the board of directors for the Concerned Citizens for Community Health in Scottsdale. This is a non-profit organization whose mission is to develop services for the unmet needs of low- and moderate-income individuals in Scottsdale. They provide emergency food, clothing, transportation, and rent and utility assistance to families in need. They also support a job preparation program that provides case-management and education to promote self-sufficiency.

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

Based on a limited-scope review, THBNA's performance under the service test in the Pima County AA is not inconsistent with the bank's overall performance in the state of Arizona. Since only 3 percent of THBNA's deposits are in the Pima County AA, performance in this AA is not weighted heavily in the overall conclusion for the state of Arizona.

## Florida

<b>CRA Rating for Florida:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- A good responsiveness to the credit needs within the bank's AA;
- A good geographic distribution of home mortgage loans;
- A good distribution of home mortgage loans to individuals of different income levels;
- A positive impact on lending performance attributed to strong community development lending;
- Weaker lending performance in the Naples and Vero Beach limited scope AAs;
- An excellent level of qualified investment activity;
- Good performance under the service test in the Sarasota AA; and
- Weaker performance under the service test in the three limited scope AAs.

## Description of Institution's Operations in Florida

Refer to the "Market Profiles for Full-Scope Areas" for Florida in Appendix C for detailed demographics and other performance context information for the Sarasota AA.

In addition to the Sarasota AA, THBNA has three other AAs in Florida which received Limited-Scope Reviews. The three other AA in Florida are the Naples AA (part of the Maples-Marco Island MA - # 34940), Vero Beach AA (encompasses all of the Vero Beach MA #46940), and West Palm Beach AA (part of the West Palm Beach-Boca Raton-Boynton Beach MA #48424).

## Scope of Evaluation in Florida

The Sarasota AA received a full-scope review. At the time this examination began, the most recent data available (June 30, 2005) indicated that the Sarasota AA held approximately 41% of THBNA's statewide deposits and was the largest AA by deposit base in the state. While the Sarasota AA received a full-scope review, performance in that AA weighed more heavily in the statewide rating, although consideration was also given to THBNA's activities in the Naples AA given its second position in statewide deposits. In addition to the Naples AA, the Vero Beach AA and the West Palm Beach AA received limited-scope reviews.

We conducted four community contacts during the evaluation period. We learned from these organizations that there is a significant need for small loans to small businesses, activities that promote economic development, and for affordable housing.

Refer to the table in Appendix A for more information. In addition, refer to the “Market Profiles for Full-Scope Areas” for Florida in Appendix C for more detail regarding the Sarasota AA.

## **LENDING TEST**

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

THBNA’s performance under the lending test in Florida is rated high satisfactory. Based on the full-scope review, the bank’s performance in the Sarasota AA is good.

#### **Lending Activity**

THBNA’s lending activity reflects good responsiveness to the credit needs of its AA. The lending activity in the Sarasota AA is good. Refer to Table 1 Lending Volume in the state of Florida section of Appendix D for the facts and data used to evaluate the bank’s lending activity.

To provide perspective regarding the relative levels of lending volume in each AA, we also compared the bank’s deposit market rank and market share to its market rank and market share for each loan product. Because of the large number of lenders compared to banks in each AA (refer to Market Profiles in Appendix C), we based our analysis on the bank’s percentile rankings in the loan and deposit markets rather than the actual values of market share and market rank.

FDIC deposit market share data as of June 30, 2006 show that the bank ranks at the 12<sup>th</sup> percentile for deposit market share in the Sarasota AA. The top three companies, all large interstate financial institutions, capture over 51 percent of the AA deposits. Based on 2005 aggregate HMDA data for the Sarasota AA, the bank ranks at the 85<sup>th</sup> percentile for home purchase loans and at the 70<sup>th</sup> percentile for home refinance loans. THBNA did not make any home improvement loans during the evaluation period. According to 2005 aggregate small business loan data, the bank ranks at the 52<sup>nd</sup> percentile for small loans to businesses in the Sarasota AA.

THBNA’s market share percentile rankings for home purchase loans, home refinance loans, and small loans to businesses exceed its percentile ranking for deposit market share.

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

THBNA’s distribution of loans is good among geographies of different income levels. The geographic distribution of loans in the Sarasota AA is good. Because the bank’s market share of home mortgage loans is so small, a meaningful analysis could not be performed.

## Home Mortgage Loans

THBNA's geographic distribution of home mortgage loans in the Sarasota AA is good. Refer to Tables 2, 3, 4, and 5 in the state of Florida section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

THBNA's geographic distribution is good for home purchase and home refinance loans.

THBNA has opted not to report home-equity lines of credit for home improvement purposes and therefore did not report any home improvement loans during the evaluation period. THBNA did not make any multi-family loans and only 10 small loans to businesses during the evaluation period. These loans were considered but not analyzed due to their small volume.

### Home Purchase

The geographic distribution of home purchase loans in the 2004-2005 and 2003 evaluation periods is good. The percentage of home purchase loans made exceeds the percentage of owner occupied units in low-income geographies, and is below the percentage of owner occupied units in moderate-income geographies.

The geographic distribution of home purchase loans in the 2002 evaluation period is good. THBNA did not make any home purchase loans in low-income geographies; however, only 1 percent of the owner occupied units are in these geographies. The percentage of home purchase loans made in moderate income-geographies exceeds the percentage of owner occupied units.

### Home Refinance

The geographic distribution of home refinance loans in the 2004-2005 evaluation period is good. The bank did not originate any home refinance loans in low-income geographies; however, less than 1 percent of the owner occupied units are in these geographies. The percentage of home refinance loans made in moderate-income geographies exceeds the percentage of owner occupied units.

The geographic distribution of home refinance loans in the 2003 and 2002 evaluation periods is excellent. The percentage of home refinance loans made in low- and moderate-income geographies exceeds the percentage of owner occupied units.

## Small Loans to Businesses

Refer to Table 6 in the state of Florida section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

Small loans to businesses are not a major line of business for THBNA in Florida. The bank made 10 small loans to business during the entire evaluation period. An analysis of these loans would not be meaningful.

## **Lending Gap Analysis**

Reports detailing THBNA's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified in the Sarasota AA.

## **Inside/Outside Ratio**

This analysis is based on the bank's performance at the state level rather than the AA level. For the state of Florida, 75 percent of THBNA's loans are within its AA. By number of loans, 75 percent of home mortgage loans, 49 percent of small loans to businesses, and 100 percent of community development loans are within the bank's AA.

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

The bank's distribution of loans is good among borrowers of different income levels. The distribution of loans among individuals of different income levels in the Sarasota AA is good. The bank's market share of home mortgage loans and small loans to businesses is too small to perform a meaningful analysis.

## **Home Mortgage Loans**

THBNA's distribution of home mortgage loans among individuals of different income levels in the Sarasota AA is good. Refer to Tables 8, 9 and 10 in the state of Florida 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.

THBNA's borrower distribution is excellent for home purchase loans and adequate for home refinance loans, taking into consideration the significant barriers that exist in the Sarasota AA. The high poverty rate and high housing prices in relation to income are significant barriers to making home mortgage loans to low- and moderate-income individuals in the AA.

THBNA has opted not to report home-equity lines of credit for home improvement purposes and therefore did not report any home improvement loans during the evaluation period. THBNA made only 10 small loans to businesses during the evaluation period and a meaningful analysis of these loans could not be performed. These loan types are not primary products for THBNA, and therefore, were weighted accordingly in evaluating the bank's lending performance.

## **Home Purchase**

The borrower distribution of home purchase loans in the 2004-2005 evaluation period is excellent considering the almost 8 percent of households in the AA living below the poverty level. The percentage of home purchase loans made to low-income individuals is near, and to moderate-income individuals meets, the percentage of families defined as such.

The borrower distribution of home purchase loans in the 2003 evaluation period is excellent considering the almost 8 percent of households in the AA living below the poverty level. The

percentage of home purchase loans made to low- and moderate-income individuals exceeds the percentage of families defined as such.

The borrower distribution of home purchase loans in the 2002 evaluation period is adequate considering the almost 7 percent of households living below the poverty level. The percentage of home purchase loans made to low-income individuals is somewhat below, and to moderate-income individuals below, the percentage of families defined as such.

### Home Refinance

The borrower distribution of home refinance loans in the 2004-2005 evaluation periods is adequate considering the almost 8 percent of households in the AA living below the poverty level. The percentage of home refinance loans made to low-income individuals is significantly below, and to moderate-income individuals exceeds, the percentage of families defined as such.

The borrower distribution of home refinance loans in the 2003 evaluation period is poor. THBNA did not make any home refinance loans to low-income individuals during 2003. The percentage of home refinance loans made to moderate-income individuals is significantly below the percentage of families defined as such.

While the borrower distribution of home refinance loans in the 2002 evaluation period is poor, almost 7 percent of households in the AA living below the poverty level and rising home prices present significant barriers to lending. The percentage of home refinance loans made to low- and moderate-income individuals is significantly below the percentage of families defined as such.

### **Small Loans to Businesses**

Refer to Table 11 in the state of Florida 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.

Small loans to businesses are not a major line of business for THBNA in Florida. The bank made 10 small loans to business during the entire evaluation period in the Sarasota AA. An analysis of these loans would not be meaningful.

### **Community Development Lending**

The community development lending has a positive impact on the conclusions for the Sarasota AA. Refer to Table 1, Lending Volume in the state of Florida section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

To provide perspective regarding the relative level of community development lending, we allocated a portion of the bank's Tier 1 capital to each AA based on its pro rata share of deposits.

THBNA has an excellent level of community development loans in the Sarasota AA, given the community development needs and opportunities that exist in the AA (see Market Profile in



Appendix C). During the evaluation period for community development loans, the bank made two community development loans totaling \$550 thousand. The bank's community development lending represents 34.4 percent of allocated Tier 1 capital and addresses the needs for affordable housing.

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

Based on limited-scope reviews, THBNA's performance under the lending test in the Palm Beach AA was not inconsistent with the bank's overall performance in the state of Florida. The bank's performance in the Naples and Vero Beach AA is weaker than the bank's overall performance in the state of Florida. Since 22 percent (Naples) and 20 percent (Vero Beach), of THBNA's statewide deposits are in these AA, performance in these AAs was weighted proportionately, and affected the rating for the state of Florida. Refer to the Tables 1 through 12 in the state of Florida section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

THBNA's performance under the investment test in Florida is rated outstanding. Based on our full-scope review, the bank's performance in the Sarasota AA is excellent. Refer to Table 14 in the state of Florida section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments. To provide perspective regarding the relative level of qualified investments, we allocated a portion of the bank's Tier 1 capital to each AA based on its pro rata share of deposits.

In its investing activities, THBNA exhibited an excellent level of responsiveness to credit and community development needs. THBNA provided qualified investments within its AA through purchases of securities, cash contributions, and grants. Qualifying investments totaled just over \$2.7 million. The volume of total investments represents approximately 169 percent of the allocated Tier 1 capital. The investments address the identified needs for affordable housing and community services and are routine and non-complex in nature. The following is a discussion of some of THBNA's qualified investments in the Sarasota AA:

- THBNA purchased three mortgage-backed securities totaling \$1.6 million. The securities were backed by home mortgage loans originated to low- and moderate-income individuals throughout the Sarasota AA.
- THBNA, through its affiliate, Harris N.A., invested \$500 thousand in low-income housing tax credit investment which funded two projects in the Sarasota AA and part of the former Naples AA. The projects, located in Sarasota County and Lee County, provided 308 units of new affordable housing.

Additional donations and grants were provided to organizations with a community development focus. THBNA made 38 contributions to 20 different community development organizations, totaling \$47 thousand during the evaluation period.

THBNA has one prior period mortgage backed security pool investment with an outstanding

balance of \$8 thousand that is recognized during this evaluation period.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Naples, Vero Beach and West Palm Beach AAs is not inconsistent with the bank's overall performance in the state of Florida. Refer to Table 14 in the state of Florida section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

THBNA's performance under the service test in Florida is rated low satisfactory. Based on the full-scope review, the bank's performance in the Sarasota AA is good. Performance in the Naples, Palm Beach, and Vero Beach AAs is adequate.

### **Retail Banking Services**

THBNA's systems for delivering retail banking services in the state of Florida are reasonably accessible to geographies and individuals of different income levels. Refer to Table 15 in the state of Florida 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.

The bank has good accessibility of its service delivery systems in the Sarasota AA. Its office is located in Downtown Sarasota, which is a moderate-income geography. The percentage of branches in moderate-income geographies significantly exceeds the percentage of the population within these geographies. There are no branches in low-income geographies, however, only 1.90 percent of the AA population lives within these geographies. Accessibility of service delivery systems in the Naples, Palm Beach, and Vero Beach AAs is adequate.

During the evaluation period, THBNA did not open or close any offices in Florida.

The bank's normal business hours are 9:00 am to 4:00 pm Monday through Friday and they offer a variety of loan and deposit products.

### **Alternative Delivery Systems**

The bank offers various alternative systems for delivering retail banking services, including automated teller machines (ATMs), telephone banking, computer banking, direct deposit, bank by mail, night depository, and courier services. Because no data were available concerning the effectiveness of these systems to low- and moderate-income geographies and individuals, we did not place significant weight on these systems in the overall service test conclusions.

### **Community Development Services**

THBNA's performance in providing Community Development (CD) services in its AA is good. Bank management invests numerous hours in community development programs targeted to

low- and moderate-income individuals and geographies within THBNA's AA. These services include providing first-time homebuyer seminars and providing technical expertise to nonprofit or government organizations. The following describe a sample of the CD services THBNA officers and employees provided during this evaluation period:

- THBNA conducted 15 First Time Home Buyers seminars. These seminars were held at various locations throughout the Sarasota AA. Most of these were held in conjunction with community groups, local schools, and government bodies. These seminars were designed to guide homebuyers through the home buying process. Information was provided to participants on how to apply for a loan, repair credit problems and maintain the home once purchased and were targeted to low- and moderate-income individuals.
- A bank officer serves as a board member and a member of the Income Development and Finance Committees of the Safe Place and Rape Crisis Center (SPARCC). SPARCC is a private, nonprofit agency that provides services to victims of domestic violence and rape in Sarasota County. Their services include a 24-hour hotline, a shelter for battered women and their minor children, family safety planning, and professional counseling.
- A bank officer serves on the advisory committee of Consumer Credit Counseling Services (CCCS). CCCS is a nonprofit organization that provides consumer credit education, confidential counseling and debt reduction programs to low- and moderate-income individuals within the Sarasota AA.
- A bank officer serves as President of the Gillespie Park Neighborhood Association. This is a neighborhood group created to improve the Gillespie Park Neighborhood, which is in a moderate-income area of Sarasota. They work cooperatively with government agencies, community organizations, and Sarasota citizens to preserve, protect, and provide a safe and clean living environment for the area residents. These actions aid in the stabilization of this area.
- A bank officer serves on the leadership council of the Sarasota chapter of the United Way - Success by Six initiative. Success by Six is a community-based movement of public and private partnerships working together to deliver early learning, child care, parent education, health, literacy and family resource center programs to low- and moderate-income families with children from zero to six years of age.

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

Based on limited-scope reviews, the bank's performance under the service test in the Naples, Palm Beach and Vero Beach AA is weaker than the bank's overall performance in the Sarasota AA and affected the rating for the state of Florida.

## Washington

<b>CRA Rating for Washington:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>Low Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- A good responsiveness to the credit needs within the AA;
- A poor geographic distribution of home mortgage loans;
- An adequate distribution of home mortgage loans to borrowers of different income levels;
- A positive impact on lending performance attributed to strong community development lending;
- An excellent level of qualified investment activity;
- An adequate geographic distribution of bank offices; and
- An adequate level of community development services.

## Description of Institution’s Operations in Washington

Refer to the “Market Profiles for Full-Scope Areas” for Washington in Appendix C for detailed demographics and other performance context information for the King AA. King County is part of the Seattle-Bellevue-Everett MA #42644). This is the only AA THBNA has in the State of Washington.

## Scope of Evaluation in Washington

The King AA, being the only AA THBNA has in the state of Washington, received a full-scope review. Consequently, the rating for the state of Washington was based solely on THBNA’s activities within the King AA.

We conducted 4 community contacts during the evaluation period within the King AA. We learned that the greatest need is for activities promoting economic development, small loans to businesses and for affordable housing.

Refer to the table in Appendix A for more information. In addition, refer to the “Market Profiles for Full-Scope Areas” for the state of Washington in Appendix C for more detail regarding the King AA.

## **LENDING TEST**

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

THBNA's performance under the lending test in Washington is rated low satisfactory. Based on the full-scope review, the bank's performance in the King AA is adequate.

#### **Lending Activity**

THBNA's lending activity reflects good responsiveness to the credit needs of its AA. The lending activity in the King AA is good. Refer to Table 1 in the state of Washington section of Appendix D for the facts and data used to evaluate the bank's lending activity.

To provide perspective regarding the relative levels of lending volume in each AA, we also compared the bank's deposit market rank and market share to its market rank and market share for each loan product. Because of the large number of lenders compared to banks in the King AA, we based our analysis on the bank's percentile rankings in the loan and deposit markets rather than the actual values of market share and market rank.

FDIC deposit market share data as of June 30, 2006 show that the bank ranks at the 5<sup>th</sup> percentile for deposit market share in the King AA. The top three companies, all large interstate financial institutions, capture over 62 percent of the AA deposits. Based on 2005 aggregate HMDA data for the King AA, the bank ranks at the 65<sup>th</sup> percentile for home purchase loans and at the 45<sup>th</sup> percentile for home refinance loans.

THBNA's market share percentile ranking for home purchase loans and home refinance loans exceeds its percentile ranking for deposit market share. THBNA did not make any home improvement loans during 2005, 2003 or 2002 within the King AA. According to 2005 aggregate small business loan data, the bank did not rank for small loans to businesses in the King AA.

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

THBNA's distribution of loans is poor among geographies of different income levels. The geographic distribution of loans in the King AA is poor. The bank's market share of home mortgage loans is not significant enough to perform a meaningful analysis.

#### **Home Mortgage Loans**

THBNA's geographic distribution of home mortgage loans in the King AA is poor. Refer to Tables 2, 3, 4, and 5 in the state of Washington section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

THBNA's geographic distribution is poor for home purchase loans and home refinance loans. THBNA has opted not to report home-equity lines of credit for home improvement purposes and therefore reported only one home improvement loan during the evaluation period. THBNA did not make any multi-family loans and only two small loans to businesses during the

evaluation period. These loan types are not primary products for THBNA. Because of the low volume of these types of loans a meaningful analysis could not be performed.

### Home Purchase

The geographic distribution of home purchase loans in the 2004-2005 evaluation period is adequate. The percentage of home purchase loans made in low-income geographies exceeds, and in moderate-income geographies, is below the percentage of owner occupied units.

The geographic distribution of home purchase loans in the 2003 evaluation period is poor. THBNA did not make any home purchase loans in low-income geographies; however, the percentage of owner occupied units in these geographies is less than 1 percent. The percentage of home purchase loans made in moderate-income geographies is significantly below the percentage of owner occupied units.

The geographic distribution of home purchase loans in the 2002 evaluation period is poor. THBNA did not make any home purchase loans in low- or moderate-income geographies. The percentage of owner occupied units in these geographies is less than 1 percent and 10 percent, respectively.

### Home Refinance

The geographic distribution of home refinance loans in the 2004-2005 and 2003 evaluation periods is poor. THBNA did not originate any home refinance loans in low-income geographies; however, the percentage of owner occupied units in these geographies is less than 1 percent. The percentage of home refinance loans made in moderate-income geographies is significantly below the percentage of owner occupied units.

The geographic distribution of home refinance loans in the 2002 evaluation period is adequate. THBNA did not originate any home refinance loans in low-income geographies; however, the percentage of owner occupied units in these geographies is less than 1 percent. The percentage of home refinance loans made in moderate-income geographies is somewhat below the percentage of owner occupied units.

### **Small Loans to Businesses**

Refer to Table 6 in the state of Washington section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

Small loans to businesses are not a major line of business for THBNA in Washington. The bank made two small loans to business during the entire evaluation period. An analysis of these loans would not be meaningful.

## **Lending Gap Analysis**

Reports detailing THBNA's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified in the King AA.

### **Inside/Outside Ratio**

This analysis is based on the bank's performance at the state level, which in this case consists only of the King AA. For the state of Washington, 78 percent of THBNA's loans are within its AA. By number of loans, 78 percent of home mortgage loans, 40 percent of small loans to businesses, and 100 percent of community development loans are within the King AA.

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

The bank's distribution of loans is adequate among borrowers of different income levels. The distribution of loans among individuals of different income levels in the King AA is adequate. Because the bank's market share of home mortgage loans is too small to perform a meaningful analysis, we did not consider market share data in evaluating the bank's borrower distribution of loans.

### **Home Mortgage Loans**

THBNA's distribution of home mortgage loans among individuals of different income levels in the King AA is adequate. Refer to Tables 8, 9 and 10 in the state of Washington 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.

THBNA's borrower distribution is adequate for home purchase loans and home refinance loans, taking into consideration the significant barriers that exist in the King AA. The high poverty rate and high housing prices in relation to income are significant barriers to making home mortgage loans to low- and moderate-income individuals in the AA. THBNA has opted not to report home-equity lines of credit for home improvement purposes and therefore reported only one home improvement loan during the evaluation period. THBNA made only two small loans to businesses during the evaluation period. These loan types are not primary products for THBNA. Because of the low volume of these types of loans a meaningful analysis could not be performed.

### Home Purchase

The borrower distribution of home purchase loans in the 2004-2005 evaluation period is adequate considering the almost 8 percent of households in the AA living below the poverty level. The percentage of home purchase loans made to low-income individuals is below, and to moderate-income individuals somewhat below, the percentage of families defined as such.

The borrower distribution of home purchase loans in the 2003 evaluation period is poor considering the almost 8 percent of households in the AA living below the poverty level. THBNA did not make any home purchase loans to low-income individuals. The percentage of

home purchase loans made to moderate-income individuals is below the percentage of families defined as such.

The borrower distribution of home purchase loans in the 2002 evaluation period is adequate considering the almost 8 percent of households in the AA living below the poverty level. THBNA did not make any home purchase loans to low-income individuals. The percentage of home purchase loans made to moderate-income individuals is somewhat below the percentage of families defined as such.

### Home Refinance

The borrower distribution of home refinance loans in the 2004-2005 evaluation period is poor considering the almost 8 percent of households in the AA living below the poverty level. THBNA did not make any home refinance loans to low-income individuals during this time period. The percentage of home refinance loans to moderate-income individuals is below the percentage of families defined as such.

The borrower distribution of home refinance loans in the 2003 evaluation period is adequate considering the almost 8 percent of households in the AA living below the poverty level. The percentage of home refinance loans made to low-income individuals is below, and to moderate-income individuals is somewhat below the percentage of families defined as such.

The borrower distribution of home refinance loans in the 2002 evaluation period is adequate considering the almost 8 percent of households in the AA living below the poverty level. THBNA did not make any home refinance loans to low-income individuals during this time period. The percentage of home refinance loans made to moderate-income individuals is somewhat below the percentage of families defined as such.

### **Small Loans to Businesses**

Refer to Table 11 in the state of Washington 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.

Small loans to businesses are not a major line of business for THBNA in Washington. The bank made two small loans to business during the entire evaluation period. An analysis of these loans would not be meaningful.

### **Community Development Lending**

The community development lending has a positive impact on the conclusions for the King AA. Refer to Table 1, Lending Volume in the state of Washington section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

To provide perspective regarding the relative level of community development lending, we allocated a portion of the bank's Tier 1 capital to each AA based on its pro rata share of deposits.



THBNA has an excellent level of community development loans in the King AA, given the community development needs and opportunities that exist in this AA. During the evaluation period, THBNA made one community development loan totaling \$1.2 million which helps address the needs for economic revitalization. The bank's community development lending is over 15 times Tier 1 capital and addresses the needs for economic revitalization.

## **INVESTMENT TEST**

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

THBNA's performance under the investment test in Washington is rated outstanding. Based on our full-scope review, the bank's performance in the King AA is excellent. Refer to Table 14 for the state of Washington section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments. To provide perspective regarding the relative level of qualified investments, we allocated a portion of the bank's Tier 1 capital to each AA based on its pro rata share of deposits.

In its investing activities, THBNA exhibited an excellent level of responsiveness to credit and community development needs. THBNA provided qualified investments within its AA through purchases of securities, cash contributions, and grants. Qualifying investments totaled just under \$5.4 million. The volume of total investments is over 69 times Tier 1 capital. The investments address the identified needs for affordable housing and community services and are routine and non-complex in nature. The following is a discussion of some of THBNA's qualified investments in the King AA:

- THBNA purchased five mortgage-backed securities totaling \$4.3 million. The securities were backed by home mortgage loans originated to low- and moderate-income individuals throughout the King AA.
- THBNA, through its affiliate, Harris N.A., invested \$1 million in a low-income housing tax credit investment which funded a project in the King AA. The project provided 192 units of rehabilitated affordable housing.

Additional donations and grants were provided to organizations with a community development focus. THBNA made 29 contributions to 14 different community development organizations, totaling \$49 thousand during the evaluation period.

## **SERVICE TEST**

THBNA's performance under the service test in Washington is rated low satisfactory. Based on the full-scope review, the bank's performance in the King AA is adequate.

### **Retail Banking Services**

The bank's systems for delivering retail banking services in the state of Washington are reasonably accessible to geographies and individuals of different income levels. Refer to Table 15 in the state of Washington 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.

The bank has adequate accessibility of its service delivery systems in the King AA. Its office is located in a moderate-income geography in downtown Seattle. The office is located on the 21<sup>st</sup> floor of a high-rise office building. It has no cash tellers, but does provide lending, deposit opening, and wealth management services.

During the evaluation period, THBNA closed one office located in an upper-income geography and relocated the remaining office from an upper-income geography to the current moderate-income geography.

The bank maintains normal business hours and offers a variety of loan and deposit products. To supplement its business hours, the bank maintains a network of partnerships with local community organizations through which it markets products and services targeted to low- and moderate-income geographies and individuals.

### **Alternative Delivery Systems**

The bank offers various alternative systems for delivering retail banking services, including telephone banking, computer banking, direct deposit, and bank by mail. Because no data were available concerning the effectiveness of these systems to low- and moderate-income geographies and individuals, we did not place significant weight on these systems in the overall service test conclusions.

### **Community Development Services**

THBNA's performance in providing Community Development (CD) services in its AA is adequate considering the bank's business strategy and limited staff in the AA. Bank management participates in community development programs targeted to low- and moderate-income individuals. These services include providing technical expertise to non-profit organizations. The following describe some of the CD services THBNA provided during this evaluation period:

- A bank officer serves as a board member of and sits on the fundraising committee for Washington Women in Need (WWIN). WWIN provides financial assistance for dental, vision, and hearing care, health care insurance premiums, mental health counseling, and education and training for low-income women within the King AA and the state of Washington.
- A bank officer serves as a member of the campaign leadership board of Impact Capital. Impact Capital is the local office of the Local Initiative Support Corporation (LISC). Impact Capital's goal is to help housing and community development organizations improve communities by producing affordable housing and other developments to meet community needs within the King AA and the state of Washington.
- A bank officer was a board member and currently serves as chairman of the development committee for Lifelong AIDS Alliance. This nonprofit agency provides case management,

housing, assistance with insurance, etc. for low- and moderate-income individuals within the King AA living with HIV.

## 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 January 1, 2002 to December 31, 2005 Investment, Service Tests and CD Loans November 25, 2002 to July 1, 2006	
<b>Financial Institution</b>		<b>Products Reviewed</b>
The Harris Bank N.A. Scottsdale, Arizona		HMDA and small business loans  Community Development investments, services and loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Harris NA	Affiliate	Qualified Investments
Harris Trust Bank of Arizona	Affiliate	Qualified Investments, CD Services and Community development loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Arizona Phoenix-Mesa-Scottsdale, AZ #38060 Tucson, AZ #46060	Full-scope  Limited-scope	Only included Maricopa County.
Florida Sarasota-Bradenton-Venice, FL #42260 Naples-Marco Island, FL #34940 Vero Beach, FL #46940 West Palm Beach-Boca Raton- Boynton Beach, FL #48424	Full-scope  Limited-scope  Limited-scope Limited-scope	Only includes the northern portion of Sarasota County
Washington Seattle-Bellevue-Everett, WA #42644	Full-scope	Only includes King County.

## Appendix B: Summary of State Ratings

RATINGS      The Harris Bank N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
The Harris Bank NA	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State:				
ARIZONA	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
FLORIDA	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
WASHINGTON	Low Satisfactory	Outstanding	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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### Arizona

#### Maricopa County AZ

Demographic Information for Full Scope Area: Maricopa County AZ						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	663	6.03	27.30	34.69	31.37	0.60
Population by Geography	3,072,149	4.88	28.69	36.78	29.64	0.01
Owner-Occupied Housing by Geography	764,563	1.53	21.47	40.34	36.66	0.00
Business by Geography	206,189	5.78	24.38	31.55	38.23	0.05
Farms by Geography	4,000	2.38	20.90	37.72	38.95	0.05
Family Distribution by Income Level	768,800	19.09	18.51	21.75	40.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	289,057	7.44	41.75	36.25	14.56	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below Poverty Level		51,172 58,300 10%	Median Housing Value Unemployment Rate	\$127,589 4.10%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2005 HUD updated MFI

The Maricopa County AA includes all of Maricopa County which is one of two counties comprising the Phoenix-Mesa-Scottsdale, Arizona MA. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies.

THBNA is headquartered in Scottsdale, Arizona. In addition to the headquarters location, there are five branch locations within the Maricopa County AA. Four are full-service branches and are located in Scottsdale, Phoenix (2), and Sun City, Arizona. A limited-service branch is located in Carefree, Arizona. The bank also has five ATMs, which are located at the headquarters and the four full-service offices. As of June 30, 2005, almost 97 percent of THBNA's deposits within the state of Arizona were derived from its offices in this AA. During the 2004-2005 evaluation period, almost 91 percent of the bank's home mortgage loans and 93 percent of its small business loans within the state of Arizona were derived from this AA.

As of June 30, 2005, THBNA's deposits in the Maricopa County AA totaled just over \$779 million. Based on FDIC deposit market share data, this equates to a 1.52 percent deposit market share and ranks the bank as the 10th largest deposit taking institution in the AA. The data also show that there is intense banking competition in the AA. There are 64 banks with a total of 718 offices in the AA. Together, the top three banks dominate the market with almost 67 percent deposit market share.

Based on 2005 peer lending data, the competition for home mortgage loans and small business loans is also intense. There are 1,157 mortgage lenders and 217 small business lenders in the AA. THBNA ranks 190<sup>th</sup> with a market share of 0.06 percent in home mortgage loans and 25<sup>th</sup> with a market share of 0.12 percent in small business loans. The top 10 mortgage lenders, which capture a combined market share of 33 percent, consist of large nationwide and regional banks and mortgage companies. The top four small business lenders, which dominate the AA with a combined market share of 60 percent, consist of four nationwide banks with significant small business credit card portfolios.

During 2005, the unemployment rate for the AA averaged 4.1 percent, compared to the state unemployment rate of 4.7 percent and the national unemployment rate of 5.1 percent. Major industries include services (38 percent), retail trade (14 percent), finance, insurance, and real estate (11 percent), and construction (7 percent). The services oriented industry includes tourism, hospitality, healthcare, and professional and business services.

In the Maricopa County AA, we conducted four community contacts during the evaluation period. These contacts indicated that the greatest credit needs in the area are for economic development, affordable housing and small loans to businesses.

Significant barriers to affordable housing exist in the AA. These include high and increasing real estate prices, increased demand due to record-setting population growth, very limited availability of private land, increased investor speculation, rising construction costs, and lack of a statewide housing policy and local government interest in low- and moderate-income housing development.

According to Office of Federal Housing Enterprise Oversight (OFHEO), housing prices in 2005 appreciated in the Phoenix-Mesa-Scottsdale MA at a rate of 39.7 percent, the largest in the country. During 2005, the HUD median family income increased less than 1 percent. With housing costs rising much faster than income, a growing number of individuals and families are finding it harder to secure quality, affordable housing in the communities in which they work. These issues are considered wide-ranging and complex, and beyond the abilities of the financial institution industry to resolve.

# Florida

## Sarasota FL

Demographic Information for Full Scope Area: Sarasota FL						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	53	1.89	15.09	50.94	32.08	0.00
Population by Geography	206,210	1.90	16.55	48.45	33.10	0.00
Owner-Occupied Housing by Geography	69,867	0.86	11.71	48.17	39.26	0.00
Business by Geography	28,580	1.04	20.85	45.51	32.60	0.00
Farms by Geography	562	0.71	15.12	54.98	29.18	0.00
Family Distribution by Income Level	57,345	15.83	17.10	22.34	44.72	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	18,886	3.27	23.76	49.71	23.25	0.00
Median Family Income		48,550	Median Housing Value	\$126,784		
HUD Adjusted Median Family Income for 2005		55,900	Unemployment Rate	3.0%		
Households Below Poverty Level		8%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2005 HUD updated MFI

The Sarasota AA includes most of Sarasota County which is one of two counties comprising the Sarasota-Bradenton-Venice, Florida MA. The AA does not include the southern part of the county or census tracts in the eastern part of the county which are primarily agricultural areas. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies.

THBNA has one branch location within the Sarasota AA, located in downtown Sarasota. The branch does not have a teller line; however, it does have a deposit taking ATM. As of June 30, 2005, 41 percent of THBNA's deposits within the state of Florida were derived from this AA. During the 2004-2005 evaluation period, 30 percent of the bank's home mortgage loans and 55 percent of its small business loans within the state of Florida were derived from this AA.

As of June 30, 2005, THBNA's deposits in the Sarasota AA totaled \$36,529,000. Based on FDIC deposit market share data, this equates to a 0.33 percent deposit market share and ranks the bank as the 32nd largest deposit taking institution in the AA. The data also show that there is significant banking competition in the AA. There are 37 banks with a total of 173 offices in the AA. Together, the top three banks dominate the market with almost 54 percent deposit market share.

Based on 2005 peer lending data, the competition for home mortgage loans and small business loans is also intense. There are 672 mortgage lenders in the AA. THBNA ranks 112<sup>th</sup> with a market share of 0.15 percent in home mortgage loans. The top 10 mortgage lenders, which capture a combined market share of almost 40 percent, consist of large nationwide and regional banks and mortgage companies.

Small business loans are not a primary product for this location. THBNA made only ten small business loans in the AA during the evaluation period. This represents a market share of 0.02



percent and ranks THBNA 41<sup>st</sup> in small business loans. There are 86 small business lenders within the AA. The top four small business lenders, which dominate the AA with a combined market share of 58 percent, consist of four nationwide banks that specialize in small business credit cards.

During 2005, the unemployment rate for the AA averaged 3.0 percent, compared to the state unemployment rate of 3.8 percent and the national unemployment rate of 5.1 percent. Major industries include professional and business services (24 percent), retail trade (13 percent), education and health services (13 percent) and leisure and hospitality services (11 percent).

In Florida, specifically in Sarasota, we conducted four community contacts. These contacts indicated that the greatest credit needs are for small loans to businesses, activities that promote economic development, and affordable housing.

Significant barriers to affordable housing exist in the Sarasota AA. These include high and increasing real estate prices, increased demand due to population growth, and rising construction costs. In addition, the local area housing authority received a troubled designation in 2004 and was taken over by the U.S. Department of Housing and Urban Development in 2005.

According to OFHEO, housing prices appreciated in the Sarasota-Bradenton-Venice MA at a rate of 30.3 percent during 2005, the 13th largest increase in the country. During 2005, the HUD median family income increased 2.9 percent. With housing costs rising much faster than income, a growing number of individuals and families are finding it harder to secure quality, affordable housing in the communities in which they work. These issues are considered wide-ranging and complex, and beyond the abilities of the financial institution industry to resolve.

# Washington

## King County WA

Demographic Information for Full Scope Area: King County WA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	373	2.41	19.84	50.94	26.81	0.00
Population by Geography	1,737,034	2.10	20.65	50.92	26.33	0.00
Owner-Occupied Housing by Geography	425,451	0.53	14.33	53.54	31.60	0.00
Business by Geography	148,826	2.69	22.16	44.59	30.56	0.00
Farms by Geography	3,040	1.51	14.54	55.10	28.85	0.00
Family Distribution by Income Level	423,511	18.27	18.00	23.46	40.27	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	153,599	2.76	30.00	51.46	15.78	0.00
Median Family Income		63,951	Median Housing Value	\$228,785		
HUD Adjusted Median Family Income for 2005		72,600	Unemployment Rate	5.1%		
Households Below Poverty Level		8%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2005 HUD updated MFI

The King AA includes all of King County which is one of two counties comprising the Seattle-Bellevue-Everett, Washington MA. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies.

THBNA has one branch location within the King AA, located in downtown Seattle. The branch is on the 21<sup>st</sup> floor of a high rise office building. The branch is configured to meet the needs of THBNA's investment clients. There is no teller line and no walk-in traffic. This is the only office THBNA has in the state of Washington.

As of June 30, 2005, THBNA's deposits in the King AA totaled \$1,461,000. Based on FDIC deposit market share data, this equates to less than 0.01 percent deposit market share and ranks the bank as the 58th largest deposit taking institution in the AA. The data also show that there is significant banking competition in the AA. There are 61 banks with a total of 515 offices in the AA. Together, the top three banks dominate the market with almost 63 percent deposit market share.

Based on 2005 peer lending data, the competition for home mortgage loans is also intense. There are 713 mortgage lenders in the AA. THBNA ranks 272<sup>nd</sup> with a market share of 0.01 percent in home mortgage loans. The top 10 mortgage lenders, which capture a combined market share of almost 38 percent, consist of large nationwide and regional banks and mortgage companies.

Small business loans are not a primary product for this location. THBNA made only two small business loans in the AA during the evaluation period. There are 111 small business lenders within the AA. The top four small business lenders, which dominate the AA with a combined market share of 56 percent, consist of four nationwide banks that specialize in small business credit cards.

During 2005, the unemployment rate for the AA averaged 5.1 percent, compared to the state unemployment rate of 5.5 percent and the national unemployment rate of 5.1 percent. Major industries include government (14.4 percent), professional and business services (14.0 percent), manufacturing (11.1 percent), education and health services (10.5 percent) and retail trade (10.4 percent).

In Washington, specifically in King County, we conducted four community contacts. These contacts indicated that the greatest credit needs are for activities that promote economic development, small loans to businesses, and affordable housing.

## Appendix D: Tables of Performance Data

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### Content of Standardized 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: (1) 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 MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AA” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- 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 Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units 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 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. 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. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 8.
- Table 11. 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 12. 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 13. 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 MA/assessment area. **Note: this information was not supplied and therefore the table is not included.**

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/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 be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AA" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

**Table 15. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: ARIZONA												
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Maricopa AZ 2004-2005	91.05	998	263,388	258	46,670	0	0	16	1,574	1,272	311,632	97
Maricopa AZ 2003	95.47	933	202,012	159	25,730	0	0	4	380	1,096	228,122	N/A
Maricopa AZ 2002	91.77	895	207,835	153	25,519	0	0	0	0	1,048	233,354	N/A
<b>Limited Review:</b>												
Pima AZ 2004-2005	8.95	102	25,852	20	3,517	1	35	2	1,500	125	30,904	3
Pima AZ 2003	4.53	44	9,834	8	745	0	0	0	0	52	10,579	N/A
Pima AZ 2002	8.23	87	19,870	7	730	0	0	0	0	94	20,600	N/A

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from November 25, 2002 to July 1, 2006.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE		Geography: ARIZONA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005						Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% Bank Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	571	90.63	1.53	0.88	21.47	16.29	40.34	40.11	36.66	42.73	0.08	0.05	0.07	0.08	0.10	
Maricopa AZ 2003	286	95.33	1.51	1.05	21.18	13.64	40.50	40.91	36.82	44.41	0.16	0.17	0.12	0.17	0.17	
Maricopa AZ 2002	311	90.14	2.13	1.61	18.83	7.40	43.14	45.66	35.89	45.34	0.21	0.32	0.10	0.20	0.27	
<b>Limited Review:</b>																
Pima AZ 2004-2005	59	9.37	2.25	1.69	24.74	6.78	36.40	10.17	36.61	81.36	0.06	0.09	0.01	0.02	0.11	
Pima AZ 2003	14	4.67	2.25	0.00	24.74	7.14	36.40	21.43	36.61	71.43	0.04	0.00	0.02	0.03	0.07	
Pima AZ 2002	34	9.86	2.84	8.82	19.92	5.88	38.83	14.71	38.42	70.59	0.12	0.89	0.05	0.06	0.16	

\* Based on 2005 Peer Mortgage Data (Western)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



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

Geographic Distribution: HOME IMPROVEMENT		Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% Bank Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	14	73.68	1.53	0.00	21.47	0.00	40.34	28.57	36.66	71.43	0.04	0.00	0.00	0.03	0.05	
Maricopa AZ 2003	3	100.00	1.51	0.00	21.18	33.33	40.50	0.00	36.82	66.67	0.03	0.00	0.06	0.00	0.05	
Maricopa AZ 2002	6	100.00	2.13	0.00	18.83	0.00	43.14	16.67	35.89	83.33	0.07	0.00	0.00	0.02	0.14	
<b>Limited Review:</b>																
Pima AZ 2004-2005	5	26.32	2.25	0.00	24.74	0.00	36.40	0.00	36.61	100.00	0.07	0.00	0.00	0.00	0.17	
Pima AZ 2003	0	0.00	2.25	0.00	24.74	0.00	36.40	0.00	36.61	0.00	0.00	0.00	0.00	0.00	0.00	
Pima AZ 2002	0	0.00	2.84	0.00	19.92	0.00	38.83	0.00	38.42	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: ARIZONA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% Bank Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	413	91.57	1.53	1.69	21.47	13.56	40.34	26.88	36.66	57.87	0.07	0.16	0.05	0.06	0.09	
Maricopa AZ 2003	643	95.54	1.51	0.62	21.18	8.86	40.50	24.42	36.82	66.10	0.19	0.17	0.12	0.13	0.26	
Maricopa AZ 2002	578	91.60	2.13	0.87	18.83	3.11	43.14	25.95	35.89	70.07	0.25	0.27	0.08	0.16	0.37	
<b>Limited Review:</b>																
Pima AZ 2004-2005	38	8.43	2.25	2.63	24.74	21.05	36.40	7.89	36.61	68.42	0.05	0.00	0.07	0.01	0.07	
Pima AZ 2003	30	4.46	2.25	0.00	24.74	3.33	36.40	16.67	36.61	80.00	0.04	0.00	0.01	0.02	0.07	
Pima AZ 2002	53	8.40	2.84	0.00	19.92	5.66	38.83	11.32	38.42	83.02	0.12	0.00	0.06	0.05	0.16	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% Bank Loans <sup>****</sup>	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	0	0.00	6.97	0.00	40.88	0.00	36.33	0.00	15.82	0.00	0.00	0.00	0.00	0.00	0.00	
Maricopa AZ 2003	0	0.00	6.71	0.00	40.90	0.00	36.56	0.00	15.82	0.00	0.00	0.00	0.00	0.00	0.00	
Maricopa AZ 2002	0	0.00	3.63	0.00	37.67	0.00	39.91	0.00	18.79	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Pima AZ 2004-2005	0	0.00	5.05	0.00	38.28	0.00	38.41	0.00	18.26	0.00	0.00	0.00	0.00	0.00	0.00	
Pima AZ 2003	0	0.00	5.05	0.00	38.28	0.00	38.41	0.00	18.26	0.00	0.00	0.00	0.00	0.00	0.00	
Pima AZ 2002	0	0.00	8.00	0.00	29.15	0.00	36.04	0.00	26.82	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: ARIZONA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of Business <sup>***</sup>	% BANK Loans	% of Business <sup>***</sup>	% BANK Loans	% of Business <sup>***</sup>	% BANK Loans	% of Business <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	258	92.81	5.78	7.36	24.38	37.98	31.55	16.67	38.23	37.98	0.12	0.14	0.22	0.08	0.12	
Maricopa AZ 2003	159	95.21	5.75	10.06	26.03	34.59	31.92	18.24	36.25	37.11	0.17	0.40	0.27	0.11	0.16	
Maricopa AZ 2002	153	95.63	4.82	7.19	19.96	29.41	36.47	14.38	38.17	49.02	0.19	0.36	0.31	0.08	0.25	
<b>Limited Review:</b>																
Pima AZ 2004-2005	20	7.19	4.45	10.00	32.06	25.00	34.76	60.00	28.73	5.00	0.04	0.00	0.06	0.08	0.00	
Pima AZ 2003	8	4.79	4.51	0.00	33.72	62.50	34.14	12.50	27.63	25.00	0.03	0.00	0.07	0.01	0.03	
Pima AZ 2002	7	4.38	7.20	0.00	23.90	42.86	31.50	28.57	37.40	28.57	0.03	0.00	0.06	0.03	0.03	

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2005).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	0	0.00	2.38	0.00	20.90	0.00	37.72	0.00	38.95	0.00	0.00	0.00	0.00	0.00	0.00	
Maricopa AZ 2003	0	0.00	2.22	0.00	21.50	0.00	39.08	0.00	37.11	0.00	0.00	0.00	0.00	0.00	0.00	
Maricopa AZ 2002	0	0.00	2.58	0.00	17.58	0.00	44.45	0.00	35.36	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Pima AZ 2004-2005	1	100.00	2.17	0.00	27.50	0.00	36.63	0.00	33.70	100.00	0.00	0.00	0.00	0.00	0.00	
Pima AZ 2003	0	0.00	2.20	0.00	31.42	0.00	32.64	0.00	33.74	0.00	0.00	0.00	0.00	0.00	0.00	
Pima AZ 2002	0	0.00	3.86	0.00	21.76	0.00	34.85	0.00	39.53	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2005).

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

Borrower Distribution: HOME PURCHASE		Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% BANK Loans <sup>1</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Maricopa AZ 2004-2005	558	90.88	19.09	8.78	18.51	15.05	21.75	17.56	40.65	58.60	0.10	0.31	0.13	0.05	0.10	
Maricopa AZ 2003	280	95.24	18.93	17.14	18.41	16.07	21.73	13.57	40.92	53.21	0.19	0.35	0.13	0.10	0.25	
Maricopa AZ 2002	310	90.12	19.01	14.84	18.06	24.52	23.20	16.45	39.74	44.19	0.25	0.48	0.23	0.15	0.28	
<b>Limited Review:</b>																
Pima AZ 2004-2005	56	9.12	20.12	5.36	18.51	17.86	21.13	12.50	40.24	64.29	0.07	0.16	0.09	0.05	0.06	
Pima AZ 2003	14	4.76	20.12	7.14	18.51	21.43	21.13	7.14	40.24	64.29	0.05	0.06	0.06	0.01	0.07	
Pima AZ 2002	34	9.88	20.55	5.88	17.75	20.59	22.37	5.88	39.33	67.65	0.14	0.13	0.14	0.03	0.20	

\* Based on 2005 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 2.5% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% BANK Loans <sup>2</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Maricopa AZ 2004-2005	13	72.22	19.09	0.00	18.51	7.69	21.75	7.69	40.65	84.62	0.04	0.00	0.03	0.02	0.05	
Maricopa AZ 2003	4	100.00	18.93	0.00	18.41	25.00	21.73	25.00	40.92	50.00	0.05	0.00	0.06	0.04	0.05	
Maricopa AZ 2002	6	100.00	19.01	0.00	18.06	0.00	23.20	16.67	39.74	83.33	0.07	0.00	0.00	0.04	0.13	
<b>Limited Review:</b>																
Pima AZ 2004-2005	5	27.78	20.12	0.00	18.51	0.00	21.13	0.00	40.24	100.00	0.07	0.00	0.00	0.00	0.14	
Pima AZ 2003	0	0.00	20.12	0.00	18.51	0.00	21.13	0.00	40.24	0.00	0.00	0.00	0.00	0.00	0.00	
Pima AZ 2002	0	0.00	20.55	0.00	17.75	0.00	22.37	0.00	39.33	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 5.3% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Maricopa AZ 2004-2005	404	91.61	19.09	8.17	18.51	11.14	21.75	14.60	40.65	66.09	0.08	0.17	0.06	0.03	0.11									
Maricopa AZ 2003	632	95.47	18.93	7.91	18.41	13.92	21.73	14.24	40.92	63.92	0.26	0.28	0.19	0.15	0.33									
Maricopa AZ 2002	575	91.56	19.01	5.22	18.06	14.43	23.20	14.96	39.74	65.39	0.32	0.26	0.24	0.20	0.42									
<b>Limited Review:</b>																								
Pima AZ 2004-2005	37	8.39	20.12	8.11	18.51	8.11	21.13	16.22	40.24	67.57	0.06	0.06	0.03	0.05	0.07									
Pima AZ 2003	30	4.53	20.12	10.00	18.51	16.67	21.13	6.67	40.24	66.67	0.06	0.10	0.06	0.02	0.07									
Pima AZ 2002	53	8.44	20.55	7.55	17.75	1.89	22.37	9.43	39.33	81.13	0.14	0.19	0.02	0.05	0.22									

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



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

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: ARIZONA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Maricopa AZ 2004-2005	258	92.81	61.27	48.06	54.26	23.64	22.09	0.12	0.15
Maricopa AZ 2003	159	95.21	61.95	39.62	56.60	25.16	18.24	0.17	0.20
Maricopa AZ 2002	153	95.63	67.96	43.14	55.56	22.88	21.57	0.19	0.34
<b>Limited Review:</b>									
Pima AZ 2004-2005	20	7.19	62.79	45.00	55.00	25.00	20.00	0.04	0.03
Pima AZ 2003	8	4.79	63.56	100.00	62.50	25.00	12.50	0.03	0.10
Pima AZ 2002	7	4.38	73.50	100.00	57.14	28.57	14.29	0.03	0.13

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source Dun and Bradstreet (2005)).

<sup>\*\*\*\*</sup> 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 1.80% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: ARIZONA									
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Maricopa AZ 2004-2005	0	0.00	79.92	0.00	0.00	0.00	0.00	0.00	0.00
Maricopa AZ 2003	0	0.00	81.58	0.00	0.00	0.00	0.00	0.00	0.00
Maricopa AZ 2002	0	0.00	83.43	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Pima AZ 2004-2005	1	100.00	84.02	100.00	100.00	0.00	0.00	0.00	0.00
Pima AZ 2003	0	0.00	85.33	0.00	0.00	0.00	0.00	0.00	0.00
Pima AZ 2002	0	0.00	87.05	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source Dun and Bradstreet (2005)).

<sup>\*\*\*\*</sup> 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 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: ARIZONA		Evaluation Period: MAY 20, 2002 – JULY 1, 2006				
MA/Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
THBNA-Maricopa AZ	5	688	79	6,189	84	6,877	88.32	0	0
<b>Limited Review:</b>									
THBNA-Pima AZ	2	181	19	728	21	909	11.68	0	0

<sup>\*</sup> 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

<sup>\*\*</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: ARIZONA				Evaluation Period: May 20, 2002 – July 1, 2006									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Maricopa AZ	96.88	6	85.71	0.00	16.66	33.33	50.00	0	1	0	0	0	-1	4.88	28.69	36.78	29.64
<b>Limited Review:</b>																	
Pima AZ	3.12	1	14.29	0.00	0.00	0.00	100.00	0	0	0	0	0	0	4.41	33.94	33.03	28.62

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: FLORIDA												
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005												
MA/Assessment Area (2005):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Sarasota FL 2004-2005	30.68	122	41,268	5	453	0	0	1	275	128	41,996	41
Sarasota FL 2003	38.24	120	26,617	2	110	0	0	1	275	123	27,002	N/A
Sarasota FL 2002	28.10	108	31,342	3	135	0	0	0	0	111	31,477	N/A
<b>Limited Review:</b>												
Naples FL 2004-2005	27.78	114	55,023	1	200	0	0	1	1,400	116	56,623	22
Naples FL 2003	18.18	56	18,992	2	450	0	0	0	0	58	19,442	N/A
Naples FL 2002	28.61	109	36,690	4	640	0	0	0	0	113	37,330	N/A
Palm Beach FL 2004-2005	25.12	103	32,856	1	127	0	0	12	705	116	33,9688	17
Palm Beach FL 2003	32.60	104	27,295	0	0	0	0	0	0	104	27,295	N/A
Palm Beach FL 2002	29.62	117	24,776	0	0	0	0	0	0	117	24,776	N/A
Vero Beach FL 2004-2005	16.43	66	40,642	2	693	0	0	0	0	68	41,335	20
Vero Beach FL 2003	10.97	35	15,288	0	0	0	0	0	0	35	15,288	N/A
Vero Beach FL 2002	13.67	54	28,495	0	0	0	0	0	0	54	28,495	N/A

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from November 25, 2002 to July 1, 2006.  
 \*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE												Geography: FLORIDA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% 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					
<b>Full Review:</b>																				
Sarasota FL 2004-2005	89	27.55	0.86	17.98	11.71	8.99	48.17	21.35	39.26	51.69	0.25	6.60	0.27	0.08	0.28					
Sarasota FL 2003	53	28.65	0.86	15.09	11.71	7.55	48.17	50.94	39.26	26.42	0.53	15.52	0.29	0.34	0.60					
Sarasota FL 2002	48	21.72	1.12	0.00	3.93	10.42	50.06	31.25	44.88	58.33	0.13	0.00	0.65	0.09	0.12					
<b>Limited Review:</b>																				
Naples FL 2004-2005	98	30.34	2.30	0.00	13.08	2.04	47.98	27.55	36.65	70.41	0.24	0.00	0.00	0.12	0.49					
Naples FL 2003	36	19.46	2.30	0.00	13.08	13.89	47.98	33.33	36.65	52.78	0.23	0.00	0.08	0.15	0.36					
Naples FL 2002	66	29.86	1.18	0.00	7.73	1.52	57.92	62.12	33.17	36.36	0.13	0.00	0.00	0.16	0.07					
Palm Beach FL 2004-2005	80	24.77	1.03	6.25	24.36	37.50	36.49	26.25	38.12	30.00	0.06	0.21	0.11	0.02	0.05					
Palm Beach FL 2003	75	40.54	1.03	4.00	24.36	36.00	36.49	33.33	38.12	26.67	0.07	0.00	0.10	0.07	0.05					
Palm Beach FL 2002	76	34.39	0.68	3.95	20.19	11.84	46.69	57.89	32.44	26.32	0.05	0.47	0.05	0.06	0.02					
Vero Beach FL 2004-2005	56	17.34	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	4.27	0.00	0.00	0.00	4.27					
Vero Beach FL 2003	21	11.35	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	3.28	0.00	0.00	0.00	3.28					
Vero Beach FL 2002	31	14.03	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.60	0.00	0.00	0.00	0.60					

\* Based on 2005 Peer Mortgage Data (Eastern)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME IMPROVEMENT			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Sarasota FL 2004-2005	0	0.00	0.86	0.00	11.71	0.00	48.17	0.00	39.26	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2003	0	0.00	0.86	0.00	11.71	0.00	48.17	0.00	39.26	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2002	0	0.00	1.12	0.00	3.93	0.00	50.06	0.00	44.88	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Naples FL 2004-2005	1	33.33	2.30	0.00	13.08	0.00	47.98	0.00	36.65	100.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2003	0	0.00	2.30	0.00	13.08	0.00	47.98	0.00	36.65	0.00	0.13	0.00	0.00	0.00	0.58	
Naples FL 2002	0	0.00	1.18	0.00	7.73	0.00	57.92	0.00	33.17	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2004-2005	1	33.33	1.03	0.00	24.36	0.00	36.49	0.00	38.12	100.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2003	0	0.00	1.03	0.00	24.36	0.00	36.49	0.00	38.12	0.00	0.03	0.00	0.00	0.00	0.07	
Palm Beach FL 2002	0	0.00	0.68	0.00	20.19	0.00	46.69	0.00	32.44	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	1	33.33	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	2.86	0.00	0.00	0.00	2.86	
Vero Beach FL 2003	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2002	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: FLORIDA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>									
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Sarasota FL 2004-2005	33	42.31	0.86	0.00	11.71	21.21	48.17	27.27	39.26	51.52	0.11	0.00	0.40	0.04	0.13					
Sarasota FL 2003	67	51.54	0.86	14.93	11.71	44.78	48.17	11.94	39.26	28.36	0.28	0.00	0.22	0.17	0.47					
Sarasota FL 2002	60	35.93	1.12	3.33	3.93	8.33	50.06	33.33	44.88	55.00	0.03	3.23	0.29	0.00	0.02					
<b>Limited Review:</b>																				
Naples FL 2004-2005	15	19.23	2.30	0.00	13.08	0.00	47.98	20.00	36.65	80.00	0.08	0.00	0.00	0.04	0.19					
Naples FL 2003	20	15.38	2.30	0.00	13.08	5.00	47.98	20.00	36.65	75.00	0.03	0.00	0.00	0.00	0.11					
Naples FL 2002	43	25.75	1.18	0.00	7.73	0.00	57.92	25.58	33.17	74.42	0.02	0.00	0.00	0.02	0.02					
Palm Beach FL 2004-2005	21	26.92	1.03	0.00	24.36	14.29	36.49	23.81	38.12	61.90	0.02	0.00	0.01	0.01	0.03					
Palm Beach FL 2003	29	22.31	1.03	0.00	24.36	10.34	36.49	20.69	38.12	68.97	0.02	0.00	0.02	0.01	0.03					
Palm Beach FL 2002	41	24.55	0.68	0.00	20.19	7.32	46.69	26.83	32.44	65.85	0.00	0.00	0.00	0.00	0.01					
Vero Beach FL 2004-2005	9	11.54	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.89	0.00	0.00	0.00	0.89					
Vero Beach FL 2003	14	10.77	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	1.15	0.00	0.00	0.00	1.15					
Vero Beach FL 2002	23	13.77	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.11	0.00	0.00	0.00	0.11					

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Sarasota FL 2004-2005	0	0.00	1.12	0.00	12.20	0.00	28.83	0.00	57.85	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2003	0	0.00	1.12	0.00	12.20	0.00	28.83	0.00	57.85	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2002	0	0.00	0.77	0.00	13.27	0.00	27.75	0.00	58.20	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Naples FL 2004-2005	0	0.00	2.08	0.00	7.03	0.00	35.11	0.00	55.78	0.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2003	0	0.00	2.08	0.00	7.03	0.00	35.11	0.00	55.78	0.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2002	0	0.00	1.80	0.00	2.10	0.00	41.08	0.00	55.03	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2004-2005	0	0.00	2.32	0.00	32.80	0.00	31.87	0.00	33.00	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2003	0	0.00	2.32	0.00	32.80	0.00	31.87	0.00	33.00	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2002	0	0.00	1.16	0.00	23.85	0.00	36.95	0.00	38.05	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2003	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2002	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Business S***	% BANK Loans	% of Business S***	% BANK Loans	% of Business S***	% BANK Loans	% of Business S***	% BANK Loans						
<b>Full Review:</b>																
Sarasota FL 2004-2005	5	55.56	1.04	20.00	20.85	20.00	45.51	0.00	32.60	60.00	0.02	0.00	0.03	0.00	0.04	
Sarasota FL 2003	2	50.00	1.00	0.00	20.75	100.00	45.60	0.00	32.66	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2002	3	42.86	1.08	0.00	19.81	33.33	43.65	33.33	35.46	33.33	0.02	0.00	0.05	0.01	0.02	
<b>Limited Review:</b>																
Naples FL 2004-2005	1	11.11	1.80	0.00	11.38	0.00	44.18	0.00	42.64	100.00	0.01	0.00	0.00	0.00	0.02	
Naples FL 2003	2	50.00	1.96	0.00	11.66	0.00	44.56	100.00	41.83	0.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2002	4	57.14	1.43	0.00	3.92	0.00	57.32	0.00	37.33	100.00	0.03	0.00	0.00	0.00	0.09	
Palm Beach FL 2004-2005	1	11.11	3.14	0.00	21.95	0.00	34.25	100.00	40.52	0.00	0.00	0.00	0.00	0.01	0.00	
Palm Beach FL 2003	0	0.00	3.29	0.00	23.27	0.00	34.06	0.00	39.24	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2002	0	0.00	1.69	0.00	15.33	0.00	43.79	0.00	37.88	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	2	22.22	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.09	0.00	0.00	0.03	0.28	
Vero Beach FL 2003	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2002	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.08	0.00	0.00	0.10	0.08	

\* Based on 2005 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2005).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Sarasota FL 2004-2005	0	0.00	0.71	0.00	15.12	0.00	54.98	0.00	29.18	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2003	0	0.00	0.76	0.00	13.58	0.00	56.02	0.00	29.64	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2002	0	0.00	0.87	0.00	5.45	0.00	52.94	0.00	40.74	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Naples FL 2004-2005	0	0.00	4.60	0.00	21.41	0.00	51.93	0.00	22.06	0.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2003	0	0.00	5.79	0.00	21.78	0.00	50.06	0.00	22.36	0.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2002	0	0.00	1.50	0.00	15.37	0.00	62.18	0.00	20.95	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2004-2005	0	0.00	2.24	0.00	23.07	0.00	36.52	0.00	38.17	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2003	0	0.00	2.33	0.00	22.86	0.00	37.93	0.00	36.88	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2002	0	0.00	1.69	0.00	12.79	0.00	53.09	0.00	31.96	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2003	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2002	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2005).

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

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sarasota FL 2004-2005	88	27.67	15.83	14.77	17.10	17.05	22.34	10.23	44.72	57.95	0.31	2.29	0.95	0.22	0.20	
Sarasota FL 2003	52	28.57	15.81	25.00	17.07	21.15	22.33	15.38	44.79	38.46	0.61	3.62	0.54	0.27	0.60	
Sarasota FL 2002	38	22.62	13.30	7.89	17.42	7.89	22.88	10.53	46.40	73.68	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Naples FL 2004-2005	97	30.50	19.06	4.12	19.32	12.37	20.65	4.12	40.97	79.38	0.28	0.00	0.56	0.00	0.33	
Naples FL 2003	36	19.78	19.06	13.89	19.32	16.67	20.65	11.11	40.97	58.33	0.27	0.94	0.31	0.12	0.28	
Naples FL 2002	49	29.17	17.77	8.16	19.99	22.45	22.95	4.08	39.29	65.31	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2004-2005	79	24.84	19.13	16.46	18.54	39.24	20.68	11.39	41.64	32.91	0.07	0.52	0.28	0.02	0.04	
Palm Beach FL 2003	75	41.21	19.13	28.00	18.54	37.33	20.68	8.00	41.64	26.67	0.08	0.39	0.19	0.05	0.04	
Palm Beach FL 2002	54	32.14	18.04	22.22	18.90	31.48	22.75	14.81	40.31	31.48	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	54	16.98	6.17	1.85	7.27	3.70	9.68	0.00	76.87	94.44	4.98	100.00	100.00	0.00	4.49	
Vero Beach FL 2003	19	10.44	4.09	0.00	5.52	0.00	8.01	5.26	82.39	94.74	3.91	0.00	0.00	0.00	4.16	
Vero Beach FL 2002	27	16.07	3.99	0.00	5.53	0.00	9.68	3.70	80.79	96.30	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 1.9% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Sarasota FL 2004-2005	0	0.00	15.83	0.00	17.10	0.00	22.34	0.00	44.72	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2003	0	0.00	15.81	0.00	17.07	0.00	22.33	0.00	44.79	0.00	0.00	0.00	0.00	0.00	0.00	
Sarasota FL 2002	0	0.00	13.30	0.00	17.42	0.00	22.88	0.00	46.40	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Naples FL 2004-2005	1	33.33	19.06	0.00	19.32	0.00	20.65	100.00	40.97	0.00	0.00	0.00	0.00	0.00	0.00	
Naples FL 2003	0	0.00	19.06	0.00	19.32	0.00	20.65	0.00	40.97	0.00	0.14	0.00	0.00	0.46	0.00	
Naples FL 2002	0	0.00	17.77	0.00	19.99	0.00	22.95	0.00	39.29	0.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2004-2005	1	33.33	19.13	0.00	18.54	0.00	20.68	0.00	41.64	100.00	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2003	0	0.00	19.13	0.00	18.54	0.00	20.68	0.00	41.64	0.00	0.03	0.00	0.00	0.00	0.07	
Palm Beach FL 2002	0	0.00	18.04	0.00	18.90	0.00	22.75	0.00	40.31	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	1	33.33	6.17	0.00	7.27	0.00	9.68	0.00	76.87	100.00	3.57	0.00	0.00	0.00	4.76	
Vero Beach FL 2003	0	0.00	4.09	0.00	5.52	0.00	8.01	0.00	82.39	0.00	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2002	0	0.00	3.99	0.00	5.53	0.00	9.68	0.00	80.79	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sarasota FL 2004-2005	33	42.86	15.83	3.03	17.10	18.18	22.34	21.21	44.72	57.58	0.14	0.00	0.14	0.05	0.2	
Sarasota FL 2003	67	52.34	15.81	0.00	17.07	2.99	22.33	64.18	44.79	32.84	0.34	0.22	0.31	0.37	0.35	
Sarasota FL 2002	56	35.90	13.30	3.57	17.42	7.14	22.88	14.29	46.40	75.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Naples FL 2004-2005	14	18.18	19.06	7.14	19.32	14.29	20.65	14.29	40.97	64.29	0.09	0.27	0.10	0.07	0.08	
Naples FL 2003	20	15.63	19.06	0.00	19.32	10.00	20.65	15.00	40.97	75.00	0.04	0.00	0.00	0.00	0.09	
Naples FL 2002	40	25.64	17.77	0.00	19.99	7.50	22.95	5.00	39.29	87.50	0.00	0.00	0.00	0.00	0.00	
Palm Beach FL 2004-2005	21	27.27	19.13	4.76	18.54	14.29	20.68	28.57	41.64	52.38	0.02	0.00	0.02	0.02	0.03	
Palm Beach FL 2003	28	21.88	19.13	7.14	18.54	7.14	20.68	17.86	41.64	67.86	0.03	0.03	0.01	0.04	0.03	
Palm Beach FL 2002	38	24.36	18.04	5.26	18.90	13.16	22.75	10.53	40.31	71.05	0.00	0.00	0.00	0.00	0.00	
Vero Beach FL 2004-2005	9	11.69	6.17	0.00	7.27	0.00	9.68	0.00	76.87	100.00	0.00	0.00	0.00	0.00	1.22	
Vero Beach FL 2003	13	10.16	4.09	15.38	5.52	0.00	8.01	0.00	82.39	84.62	1.40	0.00	0.00	0.00	1.61	
Vero Beach FL 2002	22	14.10	3.99	0.00	5.53	0.00	9.68	0.00	80.79	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 1.3% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Sarasota FL 2004-2005	5	55.56	64.99	60.00	80.00	20.00	0.00	0.02	0.03
Sarasota FL 2003	2	50.00	64.64	50.00	100.00	0.00	0.00	0.00	0.00
Sarasota FL 2002	3	42.86	61.89	100.00	100.00	0.00	0.00	0.02	0.07
<b>Limited Review:</b>									
Naples FL 2004-2005	1	11.11	64.05	100.00	0.00	100.00	0.00	0.01	0.02
Naples FL 2003	2	50.00	63.07	100.00	50.00	0.00	50.00	0.00	0.00
Naples FL 2002	4	57.14	60.97	75.00	75.00	0.00	25.00	0.03	0.07
Palm Beach FL 2004-2005	1	11.11	64.61	100.00	0.00	100.00	0.00	0.00	0.00
Palm Beach FL 2003	0	0.00	63.38	0.00	0.00	0.00	0.00	0.00	0.00
Palm Beach FL 2002	0	0.00	60.31	0.00	0.00	0.00	0.00	0.00	0.00
Vero Beach FL 2004-2005	2	22.22	64.72	50.00	50.00	0.00	50.00	0.09	0.14
Vero Beach FL 2003	0	0.00	62.87	0.00	0.00	0.00	0.00	0.00	0.00
Vero Beach FL 2002	0	0.00	57.71	0.00	0.00	0.00	0.00	0.08	0.33

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source Dun and Bradstreet (2005)).

<sup>\*\*\*\*</sup> 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 22.22% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: FLORIDA									
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Sarasota FL 2004-2005	0	0.00	89.86	0.00	0.00	0.00	0.00	0.00	0.00
Sarasota FL 2003	0	0.00	90.25	0.00	0.00	0.00	0.00	0.00	0.00
Sarasota FL 2002	0	0.00	93.25	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Naples FL 2004-2005	0	0.00	85.01	0.00	0.00	0.00	0.00	0.00	0.00
Naples FL 2003	0	0.00	85.52	0.00	0.00	0.00	0.00	0.00	0.00
Naples FL 2002	0	0.00	89.39	0.00	0.00	0.00	0.00	0.00	0.00
Palm Beach FL 2004-2005	0	0.00	86.64	0.00	0.00	0.00	0.00	0.00	0.00
Palm Beach FL 2003	0	0.00	85.81	0.00	0.00	0.00	0.00	0.00	0.00
Palm Beach FL 2002	0	0.00	90.36	0.00	0.00	0.00	0.00	0.00	0.00
Vero Beach FL 2004-2005	0	0.00	82.76	0.00	0.00	0.00	0.00	0.00	0.00
Vero Beach FL 2003	0	0.00	88.46	0.00	0.00	0.00	0.00	0.00	0.00
Vero Beach FL 2002	0	0.00	80.00	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source Dun and Bradstreet (2005)).

<sup>\*\*\*\*</sup> 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 0.00% of small loans to farms originated and purchased by the bank.



**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: FLORIDA									
Evaluation Period: MAY 20, 2002 TO JULY 1, 2006									
MA/Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Sarasota FL	1	8	44	2,699	45	2,708	25.61	1	726
<b>Limited Review:</b>									
Naples FL	2	69	43	5,122	45	5,191	38.21	0	0
Palm Beach FL	4	326	58	891	62	1,217	9.08	0	0
Vero Beach FL	2	136	21	1,053	23	1,189	8.87	0	0
Statewide/Regional Investment	0	0	2	2,443	2	2,443	18.23	0	0

<sup>\*</sup> 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.  
<sup>\*\*</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: FLORIDA				Evaluation Period: MAY 20, 2002 TO JULY 1, 2006									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
			Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																	
Sarasota FL	40.80	1	25.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	1.90	16.55	48.45	33.10
<b>Limited Review:</b>																	
Naples FL	22.34	1	25.00	0.00	0.00	0.00	100.00	0	0	0	0	0	0	7.48	18.77	45.24	28.51
Palm Beach FL	17.08	1	25.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	2.71	28.98	34.62	33.57
Vero Beach FL	19.78	1	25.00	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	0.00	100.00

**Table 1. Lending Volume**

LENDING VOLUME		Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005						
MA/Assessment Area (2004):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
King WA 2004-2005	100.00	99	43,842	2	100	0	0	1	1,200	102	45,142	100.00
King WA 2003	100.00	67	19,270	0	0	0	0	0	0	67	19,270	N/A
King WA 2002	100.00	47	14,469	0	0	0	0	0	0	47	14,469	N/A

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from November 25, 2002 to July 1, 2006.  
 \*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE		Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
King WA 2004-2005	65	100.00	0.53	1.54	14.33	6.15	53.54	32.31	31.60	60.00	0.02	0.00	0.01	0.01	0.05
King WA 2003	44	100.00	0.53	0.00	13.55	4.55	53.80	45.45	32.13	50.00	0.07	0.00	0.02	0.06	0.11
King WA 2002	27	100.00	0.61	0.00	9.48	0.00	62.20	48.15	27.71	51.85	0.05	0.00	0.00	0.04	0.10

\* Based on 2005 Peer Mortgage Data (Western)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME IMPROVEMENT			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
King WA 2004-2005	1	100.00	0.53	0.00	14.33	0.00	53.54	100.00	31.60	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2003	0	0.00	0.53	0.00	13.55	0.00	53.80	0.00	32.13	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2002	0	0.00	0.61	0.00	9.48	0.00	62.20	0.00	27.71	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
King WA 2004-2005	33	100.00	0.53	0.00	14.33	3.03	53.54	48.48	31.60	48.48	0.01	0.00	0.00	0.01	0.02	
King WA 2003	23	100.00	0.53	0.00	13.55	4.35	53.80	60.87	32.13	34.78	0.01	0.00	0.00	0.01	0.01	
King WA 2002	20	100.00	0.61	0.00	9.48	5.00	62.20	55.00	27.71	40.00	0.02	0.00	0.01	0.01	0.02	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: WASHINGTON					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
King WA 2004-2005	0	0.00	3.67	0.00	33.73	0.00	44.41	0.00	18.19	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2003	0	0.00	3.67	0.00	33.52	0.00	44.41	0.00	18.40	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2002	0	0.00	3.03	0.00	24.89	0.00	58.17	0.00	13.91	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans						
<b>Full Review:</b>																
King WA 2004-2005	2	100.00	2.69	0.00	22.16	50.00	44.59	50.00	30.56	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2003	0	0.00	2.64	0.00	21.44	0.00	45.03	0.00	30.89	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2002	0	0.00	2.50	0.00	19.12	0.00	52.21	0.00	26.15	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2005).



**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: WASHINGTON					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
King WA 2004-2005	0	0.00	1.51	0.00	14.54	0.00	55.10	0.00	28.85	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2003	0	0.00	1.34	0.00	13.50	0.00	55.01	0.00	30.14	0.00	0.00	0.00	0.00	0.00	0.00	
King WA 2002	0	0.00	1.29	0.00	11.00	0.00	61.75	0.00	25.97	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2005).

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

Borrower Distribution: HOME PURCHASE		Geography: WASHINGTON					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
King WA 2004-2005	63	100.00	18.27	3.17	18.00	11.11	23.46	25.40	40.27	60.32	0.03	0.04	0.02	0.01	0.04	
King WA 2003	44	100.00	17.83	0.00	17.68	6.82	23.40	25.00	41.10	68.18	0.08	0.00	0.03	0.06	0.13	
King WA 2002	27	100.00	16.01	0.00	18.08	14.81	26.20	44.44	39.71	40.74	0.06	0.00	0.03	0.09	0.07	

\* Based on 2005 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 3.1% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>					
<b>Full Review:</b>															
King WA 2004-2005	1	100.00	18.27	0.00	18.00	0.00	23.46	0.00	40.27	100.00	0.00	0.00	0.00	0.00	0.00
King WA 2003	0	0.00	17.83	0.00	17.68	0.00	23.40	0.00	41.10	0.00	0.00	0.00	0.00	0.00	0.00
King WA 2002	0	0.00	16.01	0.00	18.08	0.00	26.20	0.00	39.71	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: WASHINGTON					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
King WA 2004-2005	32	100.00	18.27	0.00	18.00	6.25	23.46	15.63	40.27	78.13	0.01	0.00	0.00	0.01	0.02	
King WA 2003	22	100.00	17.83	4.55	17.68	13.64	23.40	18.18	41.10	63.64	0.01	0.01	0.01	0.01	0.02	
King WA 2002	20	100.00	16.01	0.00	18.08	10.00	26.20	15.00	39.71	75.00	0.02	0.00	0.01	0.01	0.03	

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 3.0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: WASHINGTON			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
King WA 2004-2005	2	100.00	66.80	50.00	100.00	0.00	0.00	0.00	0.00
King WA 2003	0	0.00	66.48	0.00	0.00	0.00	0.00	0.00	0.00
King WA 2002	0	0.00	72.27	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source Dun and Bradstreet (2005)).

<sup>\*\*\*\*</sup> 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 50.00% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
			Geography: WASHINGTON		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
King WA 2004-2005	0	0.00	86.09	0.00	0.00	0.00	0.00	0.00	0.00
King WA 2003	0	0.00	86.63	0.00	0.00	0.00	0.00	0.00	0.00
King WA 2002	0	0.00	89.15	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source Dun and Bradstreet (2005)).

<sup>\*\*\*\*</sup> 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 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: WASHINGTON		Evaluation Period: MAY 20, 2002 TO JULY 1, 2006				
MA/Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
THBNA- King WA	0	0	33	5,391	33	5,391	100.00	0	0

<sup>\*</sup> 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

<sup>\*\*</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: WASHINGTON				Evaluation Period: MAY 20, 2002 TO JULY 1, 2006									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
			Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																	
THBNA- King WA	100.00	1	100.00	0.00	100.00	0.00	0.00	1	2	0	+1	0	-2	2.10	20.65	50.92	26.33