



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**San Jose National Bank
Charter Number: 17315**

**One North Market Street
San Jose, CA 95113**

Office of the Comptroller of the Currency

**ADC – Northern California, Hawaii & Nevada
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

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

Performance Levels	San Jose National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
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:

- The lending activity reflects an excellent responsiveness by SJNB to the credit needs in the assessment area.
- A good percentage of loans were originated or purchased within the AA.
- The overall geographic distribution of small loans to businesses is excellent.
- SJNB's distribution of small loans to businesses is adequate.
- Community development (CD) investments reflect an excellent responsiveness to the needs of the assessment area.
- SJNB's delivery systems are readily accessible to geographies and individuals of different income levels throughout the assessment area. SJNB's performance in providing CD services is good and they are responsive to the needs of the assessment area.

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.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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 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 or a block numbering area 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 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, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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 primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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

San Jose National Bank (SJNB) is an intrastate bank in San Jose, Santa Clara County, California. This is approximately 34 miles south of San Francisco. In addition to the main office, SJNB has two branch offices in northern Santa Clara County. The bank is a wholly owned subsidiary of Greater Bay Bancorp (GBB), an eleven bank financial holding company headquartered in Palo Alto, California.

SJNB's strategic vision is to become the leading full service provider of financial services for mid-size businesses in San Jose, the Silicon Valley and adjoining areas. As of June 30, 2002, net loans were \$414 million representing 51% of total assets. Net loans were distributed as follows: 41% real estate secured loans; 40% commercial and industrial loans; and 19% construction and land development loans. The bank has total assets of \$812 million and \$65 million in Tier 1 capital.

In January 2000, SJNB acquired Saratoga National Bank. The acquisition extended the bank's presence in Santa Clara County and added two branches to its service delivery system. On October 2001, SJNB was acquired by GBB. GBB is the largest independent bank holding company headquartered in Northern California. As of June 30, 2002, GBB had \$8.5 billion in total assets, \$5.3 billion in deposits, and \$4.7 billion in loans. Subsidiary banks include Bank of Petaluma, Bank of Santa Clara, Bay Area Bank, Bay Bank of Commerce, Coast Commerce Bank, Cupertino National Bank, Golden Gate Bank, Mid-Peninsula Bank, Mt. Diablo National Bank, Peninsula Bank of Commerce, and San Jose National Bank.

SJNB offers a full range of banking products and services targeted to small and mid-size businesses including construction, real estate, and term loans and business lines of credit. Through its affiliation with GBB, various other banking products and services are offered which include trust and investment services, cash management, venture capital, and international banking.

The bank had two assessment areas for most of the evaluation period. The most significant assessment area to the bank over this evaluation period is the San Jose MSA (Santa Clara County) where the bank's headquarters and existing branches are located. Over most of the evaluation period, SJNB operated a leasing company and had a deposit-taking branch in Danville, California. This assessment area consisted of cities surrounding the branch in central Alameda and Contra Costa Counties (Oakland assessment area). This assessment area was deleted when the branch closed in April 2002. Both of the assessment area delineations met the legal requirements of the CRA and did not arbitrarily exclude low- or moderate-income (LMI) geographies.

The bank received a rating of "Satisfactory" at the prior evaluation as of October 4, 1999 under performance standards for large banks. There were no financial or legal impediments impairing the bank's ability to perform under the Community Reinvestment Act.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses information since the previous examination on October 4, 1999. The evaluation period for our review of SJNB's small business loan originations covers the period from October 1, 1999 through June 30, 2002. Our review of SJNB's Community Development (CD) loans, investments and services and retail banking services covers the periods from October 1, 1999 through September 23, 2002. Appendix A contains additional details on the scope of the PE.

Data Integrity

As part of this CRA evaluation, we tested the accuracy of SJNB's small loans to businesses in July 2002. We found errors in the CRA data and required bank management to correct the information. Management audited all business loans that originated in 1999 through 2001, corrected errors identified, and re-filed CRA data for the three years. In August 2002, we evaluated the bank's corrected data and found it to be reliable. This evaluation is based on accurate data.

CD loans, investments and services submitted by SJNB management were verified to ensure that they met the regulatory definition for CD. Some items submitted by SJNB for consideration were excluded from this evaluation because they did not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

SJNB had two assessment areas for most of the evaluation period. Refer to table 1 in Appendix A for more information.

The San Jose MSA contains a majority of the loans made in the assessment area (83%), deposits (98%), and small loans to businesses (99%). This assessment area also includes all current banking locations and deposit taking ATMs. All ratings on the bank's performance are primarily based on a full-scope review of this assessment area.

Ratings

The bank's overall rating is based primarily on the performance from the San Jose MSA that received a full-scope review. In general, the performance in each assessment area is weighted according to the percentage of deposits received from that area. As noted in Table 1 in Appendix C, approximately 98% of the deposits came from the San Jose MSA. Therefore, SJNB's performance in the San Jose MSA carries the most weight in developing the overall conclusions for the bank.

Other

A community contact on file, which was conducted with a local Community Development Corporation in 2001, indicates the need for financial institutions to participate in community development and financing programs offered by non-profits. This includes participation in loan pools that finance affordable housing and small businesses. Financial institutions also need to participate in educational, training, and money management programs offered by non-profits.

Fair Lending Review

An analysis of 2000, 2001 and 2002 public comments, consumer complaint information, and Small Business lending was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1999.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the San Jose MSA is adequate.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Only in this section of the Performance Evaluation is market share measured by dollar volume of accounts. This is done in order to make the loans and deposits information comparable. Elsewhere in this document, market share refers to the number of transactions.

Small loans to businesses and community development loans are the only products used to evaluate SJNB's performance under the lending test. As reflected in the above referenced table, small business loan products are the only significant lending products in which the bank reported information during this evaluation period. The bank is not a HMDA lender.

Two significant contextual issues in the evaluation of the bank's lending activity are the highly competitive nature of its market and the rapid decline in economic conditions in the full-scope assessment area. These influencing factors are more fully discussed in the Market Profile in Appendix B. But these factors did adversely affect SJNB's ability to make loans through reduced opportunities. A depressed economy reduces the demand for credit. And competition from much larger financial institutions, some who are national in scope and who have greater marketing power, reduces the bank's ability to achieve market penetration.

Despite these market pressures, SJNB achieved an excellent level of lending activity. As of June 30, 2000, the bank held a 1.53% market share of FDIC insured deposits in the assessment area, ranking it fourteenth among fifty-four financial institutions. Aggregate data for small loans to businesses in 2000, shows that SJNB achieved a 1.84% market share, which ranked it twenty-third among one hundred thirty-two lenders. SJNB's market share for small loans to businesses substantially exceeded its market share for deposits. In relation to its size and market conditions, the bank did an excellent job of reinvesting its deposits into small loans to businesses in order to meet an important credit need identified in the community.

Peer group data is not available for analysis of CD lending activity. Nevertheless, as is more fully discussed later in this Performance Evaluation, SJNB's level of CD loans had a positive effect on the bank's performance under the lending test.

Distribution of Loans by Income Level of the Geography

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The percentage of loans made in both low- and moderate-income geographies substantially exceeds the percentage of businesses located in those geographies. The market share for these loans in both low-income and moderate-income geographies also exceeds the bank's overall market share in the assessment area. In view of the competitive pressures and adverse economy previously described, the bank's ability to attain a higher market share in low- and moderate-income geographies is indicative of excellent performance.

Lending Gap Analysis

The number of loans made by the bank during the evaluation period only slightly exceeds the number of census tracts in the assessment area. This fact makes the performance of a lending gap analysis somewhat problematic. Maps and reports detailing SJNB's lending activity over the evaluation period for small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified. SJNB penetrated 55% of the low-income geographies, 51% of the moderate-income geographies, 29% of the middle-income geographies, and 33% of the upper-income geographies in its assessment area with its small loans to businesses. The absence of unexplained gaps in the bank's lending activity had a positive effect upon our conclusion about the geographic distribution of SJNB's lending activity.

Inside/Outside Ratio

SJNB achieved a good concentration of lending in its assessment area during this evaluation period. The bank made 83% of its reported small loans to businesses to borrowers in the assessment area. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

Small Loans to Businesses

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

The borrower distribution of small loans to businesses is adequate, overall. The bank's market share of loans made to small businesses nearly equals its overall market share for small loans to all businesses, indicating that SJNB emphasizes this market segment in its commercial lending activities. However, the percentage of SJNB's reported small loans to businesses that were actually made to borrowers that meet the small businesses definition is substantially below the percentage of businesses in the assessment area that are small businesses. Also, the percentage of SJNB's loans made in amounts of \$100 thousand or less is significantly below the demographic for small businesses in the assessment area. But, somewhat mitigating this is the fact that the percentage of loans made in amounts of \$250 thousand and less is near

to the demographic, indicating a reasonable emphasis on making small loans in view of the competition. The competitive environment for small loans to businesses is a significant mitigating factor. In this assessment area, six of the top ten reporting small business lenders are out-of-area credit card banks that operate on a national level. Their average loan size is \$11 thousand and under. Also, large interstate banks like Bank of America, Bank One, Chase Manhattan Bank, Key Bank, and Wells Fargo Bank, compete in this market. Large banks like these, and specialized lenders like credit card banks, can in many cases offer special products or otherwise more efficiently meet the need for small business loans. For this reason, market share is given the most weight in this analysis, with the percentage of loans equal to or less than \$250 thousand given secondary weight, and the percentage of total reported loans that were actually made to small businesses given the least weight. Blending these aspects of SJNB's performance leads to an adequate overall rating for this performance factor.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

SJNB's level of CD lending is good. We evaluated CD lending since October 1, 1999 through September 23, 2002. SJNB's dollar volume of CD loans totaled \$3.8 million representing 6% of Tier 1 capital.

At the bank's request, our analysis of the bank's CD lending performance included a \$3.5 million loan participation extended by an affiliate bank. The affiliate could not count it in its own CRA evaluation or benefit from this loan participation because it was outside the affiliate's assessment area. The participation provided financing to a large revitalization project on an abandoned commercial site located in a moderate-income tract in the City of Campbell. The city is within SJNB's assessment area. The purpose was to upgrade a blighted area, attract businesses, and create permanent jobs to the moderate-income area residents. The inclusion of this loan comprised the bulk of the bank's CD lending dollar volume.

The bank also made two small CD loans to nonprofits to provide operating capital. These nonprofits provide educational services to low-income adults with developmental disabilities, and educational, health, and child-care services to low- and moderate-income women and children. Overall, the bank's level of CD lending had a positive impact on the communities in the assessment area because they were responsive to identified needs.

Product Innovation and Flexibility

The bank has not used innovative and flexible loan products during the evaluation period. This had a neutral impact on the Lending Test rating.

Conclusions for Areas Receiving Limited-Scope Reviews

Based upon a limited-scope review, SJNB's performance in the Oakland assessment area is weaker than the bank's overall performance in the full-scope assessment area under the Lending Test. As the Tables in Appendix C indicate, the bank made only four loans to small businesses in the limited scope assessment area. Because this represents slightly less than 1% of total reported loans in this category, the performance in the limited scope assessment area had a neutral impact on the overall Lending Test rating.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

SJNB's performance under the investment test is rated Outstanding. Based on full-scope reviews, the bank's performance in the San Jose MSA is excellent.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

SJNB's level of investments is excellent relative to their focus on important community needs and the amount in relation to the bank's capital. During this evaluation period, SJNB's investments totaled \$9 million representing approximately 14% of Tier 1 Capital. All of the investments were made during the current evaluation period. The majority of the investments totaling \$7 million are comprised of bonds that are not considered innovative or complex; however, they are responsive to the identified affordable housing credit needs in the assessment area.

- Fannie Mae Mortgage Backed Securities (MBS) – SJNB made three investments in FNMA MBS during the evaluation period totaling \$6.1 million. The initial investment of \$2.6 million and additional investments of \$1.5 million and \$2 million in FNMA MBS are backed by housing loans to low-and-moderate income borrowers within the San Jose MSA. The average loan amount for all three issues is \$193 thousand. These bonds addressed the identified need for affordable housing and benefit the San Jose MSA.
- Municipal bonds - Over the evaluation period, SJNB invested in two municipal bonds for a total of \$865 thousand. The purposes of the bonds were to fund a multi-family apartment construction project targeted to low-income families and school improvements for a child care facility project. These bonds provide housing, educational, and health services to LMI individuals. Both projects benefit the San Jose MSA.
- Grants/Donations – SJNB provided over \$60 thousand in grants/donations to 26 area CD organizations. These investments are not considered innovative or complex in nature. The organizations that benefited from these donations are involved in providing programs that help fund essential community services targeted to low- and moderate-income persons.

Conclusions for Area Receiving Limited-Scope Reviews

Based upon a limited-scope review, SJNB's performance in the Oakland assessment area is considered weaker than the bank's overall performance and rating under the Investment Test. The bank did not have a significant presence in this area. The lack of investments in this area had a neutral impact on the bank's overall rating under the Investment Test due to the small impact this area had on the bank's overall operations. *Refer to Table 14 in appendix C for the facts and data that support these conclusions.*

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the San Jose MSA is good.

Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

SJNB's distribution of branches among the geographies of different income levels throughout the assessment area is adequate. All of the bank's branches are located in the San Jose MSA assessment area. The main office is located downtown in a moderate-income tract and is accessible to businesses in the enterprise zone and city redevelopment areas. SJNB's two branch offices are located in middle-income and upper-income geographies. The bank acquired these branches in January 2000 when Saratoga National Bank merged with and into SJNB. The branch offices are equipped with ATM systems. Although SJNB did close one branch over the evaluation period, it did not close any branches in this assessment area. The branch closing and openings did not adversely impact delivery of services to low- and moderate-income individuals.

The bank's retail delivery systems are readily accessible to individuals of different income levels throughout the assessment area. The bank's products, services and business hours are reasonable and do not vary from one branch location to another. SJNB provides commercial financing services for businesses at their facilities that include construction, real estate, and term loans and business lines of credit. The bank is also a preferred SBA 7(A) and SBA 504 lender.

Additional products and services are offered through GBB's "Sister Banking" concept. Basically, clients have access to forty-two banking locations from the North Bay and the East Bay to the Coastal Regions of California. All eleven affiliate banks have integrated on-line operating systems that enable clients to conduct transactions and access their account information from any GBB member location at no charge. Customers have access to financing that includes factoring, asset-based lending, trade financing and specialty lending for technology companies and dental & veterinarian practice financing. Customers can also obtain trust, fiduciary and investment management services, venture banking, international banking services and private banking services from any of the company's offices in the Greater Bay area.

The bank uses three alternative delivery systems: SJNB Online Internet banking, Solutions (bank by phone), and courier service. The bank did not have any information on how low- and moderate-income individuals and geographies are affected by their alternative delivery systems. Therefore, we did not place significant weight on their alternative delivery systems.

Community Development Services

SJNB's performance in providing CD services in the full-scope assessment area is good based on the ample level and availability of opportunities for financial institutions. This had a positive impact on the services test rating. Refer to the Market Profile in Appendix B for additional information on the available CD opportunities in the assessment area. The services are directly related to identified community credit needs: small business development, affordable housing, technical assistance to small businesses, and micro lending to small businesses. The types of services provided are not innovative in nature.

In the San Jose MSA assessment area, eight employees provided financial services and technical assistance to approximately eight community development organizations. Time devoted to such organizations totaled approximately 320 hours. A bank officer continues to chair a loan committee for the city's Office of Economic Development and provides lending and banking expertise for small business development. Several other bank officers serve on Boards or Finance/Loan committees and provided lending expertise to organizations that address small business economic development, affordable housing, and community service needs in the assessment area.

SJNB has also continued their active involvement with a lending consortium that makes loans and provides technical assistance to established small businesses in Santa Clara and San Mateo Counties. Since 1999, SJNB has not only provided financial technical assistance to the consortium, but has handled their loan servicing function free of charge. As of September 30, 2002, the bank serviced approximately 118 loans totaling over \$21 million. Per bank estimates, 23 hours a month are spent on loan services for this organization.

SJNB also acts as a servicing agent only for loans requested for clients from a non-profit organization that provides educational, health, and financial assistance to LMI families and persons. All loans are under \$5,000 and are only granted for specific emergency needs such as automobile repairs. Currently, the bank is servicing 62 loans with a total of \$148,000. Bank estimates that 15 hours a month are spent on loan services for this organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Oakland assessment area is weaker than the bank's overall performance for retail services. However, the impact to the bank's overall performance and rating under the Service Test is neutral. This is based on the fact that the Oakland assessment area was deleted from the bank's assessment area delineation due to the closure of the branch; customers were able to continue to bank at GBB affiliate banks located in the area; and some CD services described above applied to the limited scope assessment area in terms of benefit.

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”).

Time Period Reviewed	Lending Test (excludes CD Loans): (10/01/99 to 06/30/02) Investment and Service Tests and CD Loans: (10/01/99 to 9/23/02)	
Financial Institution	Products Reviewed	
San Jose National Bank San Jose, California	Small Business Loans, CD Loans, Investments, Retail Banking Services, and CD Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Golden Gate Bank	Common Ownership through GBB	CD Loan
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
San Jose #7400	Full-Scope	
Oakland area	Limited-Scope	Part of the Oakland MSA

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

San Jose MSA 7400.....	B-2
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San Jose MSA 7400

Demographic Information for Full-Scope Area: San Jose MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	385	2.86	15.32	41.30	18.18	22.34
Population by Geography	1,497,577	3.91	21.23	54.69	20.18	0.00
Owner-Occupied Housing by Geography	307,324	1.43	13.79	57.16	27.62	0.00
Businesses by Geography	74,870	6.07	23.28	51.90	18.49	0.26
Farms by Geography	1,296	4.32	24.46	51.54	19.68	0.00
Family Distribution by Income Level	364,307	18.71	18.69	23.99	38.61	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	136,254	6.28	30.21	53.16	10.35	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$53,771 = \$87,300 = 5.98%	Median Housing Value Unemployment Rate		= \$295,613 = 7.8%		

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

Source: 1990 U.S. Census, and XXXX HUD updated MFI.

The San Jose MSA assessment area is the subject of our full scope review because SJNB derives most of its loan and deposit accounts from this area, and has most of its banking offices located here, including its headquarters (see Tables 1 and 15 of the performance data later in the Appendix). The San Jose MSA is located just south of San Francisco, California, and is comprised of Santa Clara County. The county includes the towns of Gilroy, Milpitas, Morgan Hill, Los Gatos, Mountain View, Palo Alto, San Jose, Saratoga and Sunnyvale.

The banking environment in this assessment area is highly competitive. FDIC deposits market share information for the MSA as of June 30, 2001, shows that 58 insured financial institutions compete for about \$37 billion of deposits, with SJNB only holding a 1.5% market share. The top 5 institutions together hold almost 59% of the deposits. On the lending side, the 2000 aggregate small business loan data shows that 132 reporting lenders competed for over 36 thousand loans, with the top 5 lenders together holding 65% of the market share. This market share information for deposits and loans shows market dominance by a few large financial institutions. With large financial institutions, some national in scope, like Bank of America, Citibank, Union Bank of California, California Federal Bank, Washington Mutual Bank, Wells Fargo Bank, and World Savings Bank active in the MSA, smaller local financial institutions are at a competitive disadvantage. For both loans and deposits, there are also a number of financial service providers that are not insured by the FDIC and/or do not have to report lending activity that are also competing for banking business in the area.

Economic conditions in the MSA are near recession levels. The top ten employers are Cisco Systems,

Inc., Hewlett-Packard Company/Agilent, Apple Computer, Inc., Stanford University, Intel Corporation, Applied Materials, Inc., Applied Materials, Inc., Solectron Corporation, Lockheed Martin Missiles & Space, and Nortel Networks, Inc. As is evident by this list, this area encompasses “Silicon Valley” which is home to numerous businesses in the high technology sector. This sector provided a little over 27% of the jobs in the MSA in 2000 and was at the epicenter of the recent national economic decline. Thousands of jobs were lost and the unemployment rate climbed to 7.8% as of June 2002 according to the Bureau of Labor Statistics (BLS). The U.S. Census Bureau reports that there was a net out-migration of a little over 12 thousand persons in 1999, the most recent year for which migration information was available. Residential and commercial construction activity has fallen substantially. Clearly, depressed local economic conditions coupled with a shrinking population impact any bank’s ability to make sound loans by reducing the demand for credit.

The economic decline in the San Jose MSA occurred fairly quickly. So there still are lingering effects from the past prosperity created by the boom in high technology. As shown in the above table, the HUD updated median family income is still quite high, as is the median housing value. During the boom period, and continuing into the present, high incomes and high housing costs combined to cause a shortage in affordable housing. And the present depressed local economy serves to increase the need for development and redevelopment projects that will provide an economic stimulus and help remove or prevent urban blight.

The Consolidated Plans on file with HUD for Santa Clara County and the City of San Jose state significant housing and community development needs. There is a general need for affordable housing. But the County’s plan states that the highest priority is for affordable housing for the very low-income small and large family renters and the homeless. Next in priority are the low-income elderly and groups with special needs, such as the disabled. Non-housing related community development needs were identified in several areas. Improvement of public facilities is needed, including providing wheelchair access. There is a need to increase the provision of public services to LMI persons, including the low-income elderly and children. Emergency relief is needed for very low-income and homeless persons. Financial assistance is needed for non-profit organizations that address affordable housing and other needs of lower-income persons. And a broader objective is to engage in activities that prevent slums and urban blight.

In view of the above stated community needs, there appears to be ample opportunity for financial institutions to engage in a variety of community development activities.

Appendix C: Tables of Performance Data

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: 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. 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 with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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 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.

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 with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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: CALIFORNIA						Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002				
MSA/Assessment Area (2002):	% of Rated Area Loans (#) in MSA/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)	
Full Review:												
San Jose MSA	99.03	0	0	408	70,433	0	0	6	3,846	414	74,279	97.83
Limited Review:												
Oakland AA	0.97	0	0	4	1,649	0	0	0	0	4	1,649	2.17

* Loan Data as of June 30, 2002. Rated area refers to either the state or multi-state MSA rating area.

** The evaluation period for Community Development Loans is From October 01, 1999 to September 23, 2002.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MSA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: CALIFORNIA						Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002						
MSA/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	Upper
Full Review:															
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Limited Review:															
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Aggregate HMDA Data Only.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: CALIFORNIA				Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002								
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ***	% BANK Loans	% Owner Occ***	% BANK Loans	% Owner Occ***	% BANK Loans	% Owner Occ***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Aggregate HMDA Data Only.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA				Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002				
--	--	--	-----------------------	--	--	--	---	--	--	--	--

* Based on 2000 Aggregate HMDA Data Only.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

MSA/Assessment Area:	Total Home Mortgage Refinance 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	Over all	Low	Mod	Mid	Upp
Full Review:															
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Oakland AA	07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA				Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002					Market Share (%) by Geography				
MSA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Aggregate HMDA Data Only.

** Multifamily loans originated and purchased in the MSA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

* Based on 2000 Peer Small Business Data: US & PR.

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

*** Source Data: Dun and Bradstreet (2001).

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 2002			Geography: CALIFORNIA								Evaluation Period: OCTOBER 1, 1999 TO JUNE 30,				
MSA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
San Jose MSA	408	99.03	6.07	9.80	23.28	38.73	51.90	39.46	18.49	11.76	0.43	0.77	0.74	0.34	0.29
Limited Review:															
Oakland AA	4	0.97	0.00	0.00	0.00	0.00	19.40	0.00	80.60	100.00	0.03	0.00	0.02	0.02	0.06

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS 2002			Geography: CALIFORNIA								Evaluation Period: OCTOBER 1, 1999 TO JUNE 30,				
MSA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
San Jose MSA	0	0.00	4.32	0.00	24.46	0.00	51.54	0.00	19.68	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	13.21	0.00	86.79	0.00	0.00	0.00	0.00	0.00	0.00

*Based on 2000 Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002								
MSA/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****	Over all	Low	Mod	Mid	Up p
Full Review:															
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

*Based on 2000 Aggregate HMDA Data Only.

** As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by SJNB.

*** Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA		Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002													
MSA/Assessment Area:	Total Home Improvement 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****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:																	
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																	
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA		Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002													
MSA/Assessment Area:	Total Home Mortgage Refinance 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****	% Families* **	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp
Full Review:																	
San Jose MSA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Limited Review:															
Oakland AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Based on 2000 Aggregate HMDA Data Only.

As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by SJNB.

Percentage of Families is based on the 1990 Census information.

Home improvement loans (or home mortgage refinance loans) originated and purchased in the MSA/AA as a percentage of all home improvement loans (or home mortgage 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: CALIFORNIA			Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002			
MSA/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			
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less		
Full Review:											
San Jose MSA	408	99.03	83.62	27.94	55.64	21.81	22.55	0.43	0.42		
Limited Review:											
Oakland AA	4	0.97	84.34	25.00	50.00	0.00	50.00	0.03	0.02		

Based on 2000 Peer Small Business Data: US&PR.

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

Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

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 2.67% 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: CALIFORNIA			Evaluation Period: OCTOBER 1, 1999 TO JUNE 30, 2002			
MSA/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	
	#	% of Total**	% of *** Farms	% BANK **** Loans	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
San Jose MSA	0	0.00	85.65	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:									
Oakland AA	0	0.00	84.91	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Small Business Data: US&PR.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

**** 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: CALIFORNIA			Evaluation Period: OCTOBER 1, 1999 TO SEPTEMBER 23, 2002			
MSA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
San Jose MSA	0	0	8	9,013	8	9,013	100%	0	0
Limited Review:									
Oakland AA	0	0	0	0	0	0	0	0	0

*Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

**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: CALIFORNIA				Evaluation Period: OCTOBER 1, 1999 TO SEPTEMBER 23, 2002					
MSA/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
Full Review:																	
San Jose MSA	98.76	3	75	0.00	33.33	33.33	33.33	2	0	0	0	1	1	3.91	21.23	54.69	20.18
Limited Review:																	
Oakland AA*	1.24	1	25	0.00	0.00	0.00	100.00	1	1	0	0	0	0	0.00	0.00	11.54	88.46

*Branch closed in April 2002.