



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**August 11, 2003**

# **Community Reinvestment Act Performance Evaluation**

**Mt. Diablo National Bank  
Charter Number: 22511**

**156 Diablo Road  
Danville, CA 94526**

**Office of the Comptroller of the Currency**

**ADC-Northern California, Hawaii  
50 Fremont Street Suite 3900  
San Francisco, CA 94105**

**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 **Mt. Diablo National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Mt. Diablo National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			
Low Satisfactory	X		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:

- The bank’s level of originated or purchased loans is adequate.
- Mt. Diablo achieved an adequate borrower distribution in its small loans to businesses.
- The bank originated a good level of community development loans considering the limited community development opportunities within the assessment area. This had a positive impact on our evaluation of the bank’s performance under the lending test.
- The bank has an excellent volume of qualified investments that are responsive to the identified needs of the assessment area.
- The bank has an adequate distribution of branches that are reasonably accessible to geographies and individuals of different income levels. The bank also provides a good level of community development services that are responsive and supportive of community development needs in 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

Mt. Diablo National Bank (Mt. Diablo) is a community bank located in the eastern portion of the San Francisco Bay area. The bank is an intrastate bank established in 1993. Mt. Diablo is based in Danville, California. Greater Bay Bancorp acquired Mt. Diablo on January 31, 2000. As of June 30, 2003, the bank had total assets of \$561 million, deposits of \$438 million, and Tier 1 capital of \$37 million. The institution provides general banking services through its main office and three branches in the Diablo and San Ramon Valleys of Contra Costa and Alameda Counties.

The main office is located in Danville, in an upper-income tract, surrounded by upper-income census tracts. The Blackhawk office opened October 21, 1999, and the Lafayette office opened March 2, 1998, and both are in upper income census tracts. The Pleasanton office opened October 14, 1997, in a middle-income census tract, surrounded by upper-income census tracts.

Mt. Diablo is one of eleven banks owned by the Greater Bay Bancorp. The Greater Bay Bancorp, with over \$8 billion in total assets, is a multi-state banking company located in Palo Alto, California. This corporation's primary service areas are the MSAs surrounding San Francisco. Some of the banks extend loans to businesses throughout the United States, primarily through departments such as Matsco, a niche lender providing financing to dentists and veterinarians. Matsco is owned by Cupertino National Bank. Some of the small loans to businesses evaluated in the performance of Mt. Diablo were originated by Cupertino National Bank.

The bank's lending focus is on commercial real estate loans, loans for small- and medium-size businesses, and construction financing loans. Consumer lending accounts for 10% of the loan portfolio, consisting of owner occupied construction loans, home equity lines, vehicle loans, and various unsecured loans.

Mt. Diablo has preferred lender status with the Small Business Administration (SBA). While its SBA lending activities have recently been severely hampered by personnel turnover, the bank did make 8 SBA loans totaling \$1.8 million to borrowers in its assessment area. These loans were not included in the bank's reporting of small loans to businesses.

The OCC evaluated Mt. Diablo as a small institution at its previous CRA examination dated January 28, 1999. The bank was rated "Satisfactory." There are currently no legal, financial, regulatory, or other factors impeding the bank's ability to meet the credit needs of its assessment area.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Our evaluation considers Mt. Diablo small business lending activities from January 1, 2002, to December 31, 2002. The bank was not required to report this data prior to 2002. We considered small business loans originated by the affiliated Cupertino National Bank in Mt. Diablo's AA. No other affiliate received CRA credit for these loans. We did not include HMDA reportable loans since the bank did not extend any loans of this type. Under the holding company structure, applicants for HMDA loans are referred to an affiliated bank. The evaluation period for community development lending, investment, and services include all activities since the last CRA Performance Evaluation through August 11, 2003. Refer to Appendix A for additional details of the examination scope.

### Data Integrity

We performed a data integrity examination in January 2003 to determine the accuracy of the bank's small business lending data that we used for this evaluation. We also reviewed all community development loans, CRA investments, and services activities to determine if each activity has community development as its primary purpose. Based on our sampling, we did not identify any errors. Management's review process is very good.

### Selection of Areas for Full-Scope Review

Mt. Diablo has designated the Tri-Valley area of Contra Costa and Alameda counties as its sole assessment area. The assessment area comprises 68 census tracts. Demographic information used in this evaluation is based on the 1990 U.S. Census figures. The distributions of census tracts in the assessment area according to income levels are 15 (22 percent) middle-income, and 53 (78 percent) upper-income. We performed a full-scope review of the Tri-Valley assessment area. Refer to Appendix A and Appendix B for complete descriptions of the assessment area.

### Ratings

The bank's overall rating is based on the full-scope review of the Tri-Valley assessment area. In arriving at the bank's overall record of performance, we evaluated activities under the Lending, Investment and Service Tests. The rating method is structured such that the Lending Test weighs most heavily of the three evaluation tests. Within the loan products, we weighted the performance in small business lending most heavily as small business loans represent approximately 98 percent all reportable loans and are the institution's primary lending focus.

### Other

We conducted one interview with a local trade association in the bank's assessment area. This association provided us with a description of the community needs economically and socially. We also reviewed the information from past interviews conducted by the OCC and other regulatory agencies. The contacts included housing organizations and other local government agencies. The contacts identified the area's major credit needs as small business loans and affordable housing for low- and moderate-income persons. Refer to the "Market Profile" section in Appendix B for additional information on area needs.



## Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Lending Test is rated "**Low Satisfactory.**" Based on a full scope review, the bank's performance in the Oakland MSA is adequate.

In the evaluation of the bank's lending performance, we gave the most weight to small loans to businesses. As reflected in the tables in Appendix D, this was the bank's only significant category of reportable loans during the evaluation period. Also, loans to businesses, including small businesses, is an important need identified by community groups.

Community development loans were also given consideration due to their inherently beneficial impact on segments of the community deemed most in need. As discussed in more detail later in this document, the bank made a satisfactory volume of such loans within the context of the limited opportunities available.

Home mortgage lending did not receive consideration in this review. The bank does not make consumer home mortgage loans, but it does refer applicants for such credit to other lenders. The bank attempts to address the communities' affordable housing needs through targeted investments as described under the Investment Test.

Small loans to farms were not evaluated because the bank does not make these kinds of loans. As noted in the market profile in Appendix B, there are few farms in the assessment area and therefore limited demand for agricultural credit.

#### Lending Activity

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

While reviewing the tables of lending performance it is important to note that Mt. Diablo was only required to report small business lending data for 2002.

Several contextual issues affect the evaluation of Mt. Diablo's lending activity. The most important is the bank's strategic focus on commercial real estate loans, loans to small- and medium-size businesses, and commercial construction loans. The bank does not make consumer home mortgage loans or agricultural loans. Mt. Diablo operates in a highly competitive banking environment in which numerous other financial institutions meet the need for the kinds of loans not offered by the bank.

During this evaluation period Mt. Diablo experienced significant disruption of its lending function, which adversely impacted its lending activity. Subsequent to the bank's acquisition by Greater Bay Bancorp in January 2000, there was a wholesale defection of the Small Business Administration lending staff to another bank. And some directors and senior officers also left the bank, with attendant loss of patronage from those sources.

The assessment area was affected by the severe economic decline of the high tech sector in nearby Silicon Valley, which adversely impacted business activity and the demand for all business related credit, including development and redevelopment projects. But, with an increasing number of commuters moving into the assessment area, the cost of raw land and residential real estate is high, and this cost factor inhibits certain community development lending activities.

Furthermore, in this assessment area there is dominance by a few very large credit card lenders and banks in both small business lending and deposit taking activities. Aggregate small business lending data for 2002 was only available at the MSA level at the time of this examination. But that data shows that in the Oakland MSA the top five small business lenders held almost 72% of the market. And, four of the five top lenders are credit card lenders who do not take deposits from the assessment area, thus distorting market share comparisons between loans and deposits. FDIC deposits market share information for the MSA in 2002 shows that the top five banks hold 67% of that market. This kind of market dominance by large financial service companies, some of them with national-wide operations, creates a difficult competitive environment for small, local banks.

In view of those contextual factors, the bank's lending activity is adequate. In 2002, Mt. Diablo achieved a 0.89% market share in deposits, which ranked it 17<sup>th</sup> among 57 financial institutions that take FDIC insured deposits in the AA. During that same time the bank attained a 0.30% market share in small loans to businesses, which ranked it 43<sup>rd</sup> among 145 reporting lenders. The bank also made two community development loans.

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

The bank has no low- or moderate-income geographies in its assessment area. Therefore, an analysis of the geographic distribution of the bank's lending activity is not meaningful.

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

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank did not originate any home mortgage loans during the evaluation period.

#### ***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.

Geographic distribution analysis of small loans to businesses is not meaningful due to the absence of low- or moderate-income geographies in the assessment area.

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

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The bank did not originate any small loans to farms during the evaluation period.

### **Lending Gap Analysis**

We reviewed maps and data to determine if there were any unexplained gaps in Mt. Diablo's lending activities. In this evaluation period, the bank only reported one year of lending activity due to its and transition to large bank status under the CRA. Nevertheless, we did not identify any conspicuous gaps in the bank's lending activity.

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

The bank's concentration of lending activity within its assessment area is adequate. Excluding loans originated by affiliates, Mt. Diablo made 62% of its reported small loans to businesses to borrowers located within its assessment area. To some extent this percentage is affected by the fact that the bank has delineated a very small assessment area that is located within a large, complex MSA (Oakland).

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

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

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank did not originate any home mortgage loans during the evaluation period.

#### ***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 Mt. Diablo's small loans to businesses is adequate. The bank made 45 percent of its small business loans to businesses with annual revenues of \$1 million or less compared to the 66 percent market concentration of small businesses in the area. However, all 145 reporting lenders in the Oakland MSA made only 25 percent of their loans to small businesses that meet the revenue definition. So, while the bank's performance is substantially below the demographic, it is significantly above the performance of its competition.

The bank's market share of loans made to small businesses that meet the definition surpasses its overall market share of reported small loans to businesses, which is considered excellent.

The analysis also shows Mt. Diablo's distribution of loans in amounts of less than or equal to \$100 thousand represents 37 percent of the bank's total reported small loans to businesses, with an average loan size of \$228 thousand. This is adequate when compared to the demographic for the concentration

of small businesses in the assessment area. However, due to the pervasive influence of credit card lenders in this market, with their small average loan size, the bank's performance in this factor does not carry much weight in our conclusions. In 2001, 73 percent of all reported small loans to businesses were made by lenders whose average loan size was \$12 thousand or less. These lenders are predominantly credit card lenders. With a whole class of lenders already meeting the need for small loans to businesses, and whose product is particularly suited to small businesses, Mt. Diablo's relative lack of emphasis on this aspect of the market is reasonable.

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

Refer to Table 12 in the 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 bank did not originate any small loans to farms during the evaluation period.

### **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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Mt. Diablo made two CD loans during the valuation period. The loans were made to a non-profit, private school that provides resident and adult day care services to developmentally disabled persons, the majority of whom are low- and moderate-income. In view of the limited community development in the assessment area, this is considered a good performance. This had a positive impact on our evaluation of the bank's performance under the lending test.

### **Product Innovation and Flexibility**

During this evaluation period, Mt. Diablo did not offer any innovative or flexible loan products that enhanced its ability to meet the credit needs of LMI individuals or geographies.

## INVESTMENT TEST

### Conclusion for Area Receiving Full-Scope Review

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

The bank's performance under the Investment test is rated "**Outstanding.**" The bank's performance in the Oakland MSA assessment area is excellent.

The key findings that support the rating include:

- Mt. Diablo has a significant dollar volume of qualified investments in this evaluation period. This conclusion considers the limited investment opportunities within the assessment area and the bank's capacity to address those needs.
- The bank's qualified investments are responsive to the identified needs of the Oakland MSA. Also, all of the qualified investments are within or a broader statewide area that includes the AA.
- During the evaluation period, the bank made \$17.2 million in qualified investments. Ninety-nine percent of the qualified investments were to provide affordable housing, an important community need.

An important contextual issue is that the bank has delineated a small AA within a large complex CMSA (San Jose, San Francisco, and Oakland). The affluent nature of the AA, its small size, and high real estate prices tend to limit CD opportunities. And, since the bank has adequately addressed local needs, we included investments that benefited a larger area that included the AA; in this case the CMSA.

Mt. Diablo contributes \$14 million to an investment fund that provides affordable housing and community facilities that serve low- and moderate-income individuals in the Oakland MSA. The fund is more innovative than a typical CRA investment because the fund manager ensures that the bank's money benefits its assessment area rather than broader statewide or regional areas that includes the assessment area.

The bank made a \$3.1 investment in an affordable home loan program of the Federal Home Loan Bank of San Francisco. The investment was used to provide home mortgage financing to LMI families in the San Francisco Bay Area. The bank has an equity investment in the amount of \$100,000 that provides funding for mid- and late- stage growth companies located in or near, or willing to relocate in or near, one of the 46 priority LMI neighborhoods in nine counties in the San Francisco Bay Area. The focus is to attract new businesses, specializing in technology, health care, consumer goods and services. This activity has had a positive effect in the assessment area and outlying regions by creating new jobs and other community development services focused on LMI geographies and persons.

### Grants

The bank donated \$20,000 to a nonprofit organization fundraiser that supports local nonprofits targeted to LMI families, women and children. These charities are located in the Tri-Valley, servicing the

communities of Livermore, Pleasanton and Dublin. Mt. Diablo donated \$12,500 to a nonprofit organization, providing services to LMI individuals with developmental disabilities. Residential support in the community includes vocational and developmental day programs with individualized job coaching and skill development, health monitoring and nursing care and mental health assessment and monitoring. The bank donated \$5,000 to a reinvestment committee, a coalition of over 200 non-profit and public organizations across California. Funds are used for affordable housing, small and minority-owned businesses and job creation. A donation was made in the amount of \$3,000 to a nonprofit organization. This organization targets LMI youth in Contra Costa County and provides education in the areas of free enterprise, business, economics, and workforce preparedness. During 2002, the bank donated \$3,500 to a nonprofit organization in the Mt. Diablo area. Monies were used for the sponsorship of youth and child programs to families who cannot afford to pay.

## **SERVICE TEST**

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

The bank's performance under the Service test is rated "**Low Satisfactory.**" Based on a full-scope review, the bank's performance in the Oakland MSA is adequate.

- The bank's distribution of branches is reasonable given that the assessment area only contain middle- and upper-income tracts.
- Branch openings and closings did not adversely impact the accessibility of the bank's delivery systems.
- Bank services are tailored to the needs of the assessment area and do not vary in a way that would inconvenience portions of the assessment area.
- Mt. Diablo provides a good level of community development services that are responsive and supportive of needs in the assessment area.

### **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.

### **Branch Distribution**

The distribution of Mt. Diablo four branches is reasonable based on the geographic distribution of the population in the bank's assessment area. The assessment area only consists of middle- and upper-income tracts. The Danville and Lafayette branches are located in upper-income tracts and the Pleasanton branch is in a middle-income tract.

The bank's record of opening and closing branches has a neutral effect on their evaluation performance. In October 1999, the bank opened an additional branch in Danville and has not closed any offices.

Branch hours are reasonable. All of the branches are open Monday – Thursday 9:00 a.m. to 5:00 p.m. and Friday 9:00 a.m. to 6:00 p.m.

### **Alternate Delivery Systems**

The bank's retail services and alternate delivery systems are responsive to the needs of the community. The bank offers a wide range of consumer and business loan and deposit products at each of its full-service branch location. The bank offers proprietary ATMs at all branches, which accept deposits.

In addition, the bank provides telephone and online banking. Mt. Diablo does not charge customers for ATM use or telephone/online inquiries. The bank does not, however, maintain information about how its alternative delivery systems might increase the accessibility of its services to LMI persons. Therefore, these systems did not impact our evaluation under the service test.



## **Community Development Services**

Mt. Diablo provides a good level of community development services that are responsive and supportive of needs in the assessment area. Senior management encourages and supports employee involvement, and seven employees play an active role in approximately ten community development organizations. This includes providing financial expertise to organizations in leadership roles as board members. The organizations address affordable housing, small businesses development, and community services targeted to LMI individuals.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 1/1/02 to 12/31/02 Investment and Service Tests and CD Loans: 1/29/99 to 8/11/03	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Mount Diablo National Bank, Danville, California	Small Business Loans & CD Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Cupertino National Bank	Sister Bank in Greater Bay Bancorp	Small Business Loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Oakland MSA #5775	Full-Scope	NA

# Appendix B: Market Profile for Full-Scope Area

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## Market Profile for Area Receiving Full-Scope Review

Oakland AA.....B-2

## Oakland MSA

Demographic Information for Full Scope Area: Oakland MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	68	0.00	0.00	22.06	77.94	0.00
Population by Geography	365,127	0.00	0.00	26.30	73.70	0.00
Owner-Occupied Housing by Geography	101,448	0.00	0.00	24.61	75.39	0.00
Business by Geography	36,778	0.00	0.00	31.67	68.33	0.00
Farms by Geography	574	0.00	0.00	28.57	71.43	0.00
Family Distribution by Income Level	100,587	7.83	11.18	19.61	61.38	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	19,125	0.00	0.00	42.60	57.40	0.00
Median Family Income		47,516	Median Housing Value		313,773	
HUD Adjusted Median Family Income for 2002		74,500	Unemployment Rate (June 2003)		6.5%	
Households Below Poverty Level		3.19%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census, 2002 HUD updated MFI, and 2003 BLS Information.

### Geographic Description

Mount Diablo’s assessment area consists of the communities along the I-680 corridor in the Tri-Valley Area, which includes the valleys of Diablo, Livermore, and San Ramon. The assessment area has been defined as the cities and towns surrounding the bank’s four offices rather than the entire area of Alameda and Contra Costa Counties. The cities of the assessment area include Danville, Orinda, Lafayette, Walnut Creek, Pleasanton, and Livermore. Alameda County is the seventh largest populated county in California, maintaining a total area of 821 square miles. Contra Costa County encompasses approximately 798 square miles and ranks as the ninth highest populated county in California.

The Oakland Hills are a geographic barrier separating the bank’s assessment area from the western portion of the Oakland MSA. Mount Diablo state park is also a geographic barrier to the northeast of the bank’s assessment area that separates the bank from the northeastern portions of Contra Costa County. The bank delineated 68 of the 482 census tracts in the Oakland MSA as its assessment area.

### Economic Conditions in Oakland MSA

The Technology Services market decline has impacted the area significantly over the past several years. As of June 30, 2003, the unemployment rate in the Oakland MSA is high at 6.5% and while the unemployment rate is increasing, some factors in the counties have softened the impact of the tech decline on the unemployment rate. In Contra Costa County, the market conditions have been improved because of the availability of rapid transit, close proximity to employment hubs and relatively affordable housing. These factors combined have attracted more residents and companies to the county in the past decade. Residents and companies moved from more expensive sections of the Bay Area into the western and central parts of Contra Costa. Companies seeking less expensive office space and shorter

commutes have affected Alameda County. A variety of businesses and business services (including high-tech companies, hotels, biotech, call centers, food manufacturers, finance companies, distribution centers, and new retail) are moving into Alameda County.

The economic downturn caused a decline in small business lending in 2002. From 2001 to 2002 there was a drop of 11% in the total number of loans made by all lenders to businesses that meet the small business definition.

Housing costs have risen over the last few years after a drop in prices during the early-mid 1990's, tied to the recession of the period. California home prices set new records during the fourth quarter of 2002. The cities of Danville and Lafayette are amongst the 10 cities and communities with the highest median prices in California during the fourth quarter of 2002. The economies of Alameda and Contra Costa counties have been tied to the services industry. The services industry includes business, health, engineering, management, and other services sectors. In the counties of Contra Costa and Alameda, the services industry accounted for 32 and 30 percent of each county's total employment, respectively. In 2001 services, retail trade and government dominated 63-65 percent of the total employment in both counties. Services, retail trade, and government are the fastest growing industries in Contra Costa County while services, manufacturing, wholesale, and retail trade are the fastest growing industries in Alameda County.

The bank's major competitors include the Mechanic's Bank, City National Bank, The Bank of Walnut Creek, Wells Fargo Bank, and Fremont Bank. As of June 30, 2002, the bank was ranked seventeenth amongst fifty-seven institutions in deposit market share according to the FDIC Summary of Deposits. According to the FFIEC 2002 Market Aggregate Data, the bank was ranked twenty-third amongst one-hundred-forty-five lenders reporting small business loans to businesses with revenues < \$1million; however, these include several credit card lenders and credit card divisions of large banks.

### **Economic Conditions in the AA**

Economic activity in recent years supports a high level of affluence in the assessment area, which consists entirely of middle-income and upper-income census tracts. For the evaluation period, the assessment area includes fifteen middle-income tracts and fifty-three upper-income tracts.

This area is comprised of upper and middle census tracts and does not contain any blighted areas or designated development or redevelopment zones. The following demographic data is based on the assessment area of census tracts, instead of the entire MSA. The weighted average of median family income was \$69,855 according to 1990 Census Data; however this figure changed to \$106,300 according to the 2000 census data. The median sales price for existing single-family homes for metropolitan areas was \$509,000 for the first quarter of 2003 according to the National Association of Realtors. HUD median family income was updated in 2002 to \$74,500. The median housing value is 6.84 times the median family income of the assessment area. Due to the low affordability of housing in the assessment area, 25% of housing units are rented. The high level of prosperity, the lack of blighted or designated redevelopment areas, and the high cost of real estate limit community development opportunities.

The needs of the community continue to be affordable housing construction and purchase financing, as well as financing and technical expertise for small business. The bank has identified the needs of the community to be affordable housing for families and members of essential services such as police, fire, and schoolteachers to be the most critical development need in the assessment. The bank has also identified small business lending as a need of the community.

## Appendix C: 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: 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 (Optional)** - 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: JANUARY 1, 2002 TO DECEMBER 31, 2002												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Oakland AA	100.00	0	0	136	39,463	0	0	2	520	138	39,983	100.00

<sup>\*</sup> Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is From January 29, 1999 to August 11, 2003.

<sup>\*\*\*</sup> Deposit Data as of June 30, 2002. 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 : CALIFORNIA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
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>																								
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA									

\* Based on 2001 Aggregate HMDA Data Only.

\*\* 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 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: JANUARY 1, 2002 TO DECEMBER 31, 2002					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	% 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>															
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

<sup>†</sup> Based on 2001 Aggregate HMDA Data Only.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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: JANUARY 1, 2002 TO DECEMBER 31, 2002					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	% 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>																
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

<sup>\*</sup> Based on 2001 Aggregate HMDA Data Only.

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

<sup>\*\*\*</sup> 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 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share (%) by Geography <sup>*</sup>				
MSA/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	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans					
<b>Full Review:</b>															
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Aggregate HMDA Data Only.

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

<sup>\*\*\*</sup> 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.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					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 Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans					
<b>Full Review:</b>															
Oakland AA	136	100.00	0.00	0.00	0.00	0.00	31.67	22.79	68.33	77.21	0.30	NA	NA	NA	NA

<sup>\*</sup> Market share data broken down by income level of geography for 2002 is not yet available.

<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 (2002).

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

Geographic Distribution: SMALL LOANS TO FARMS		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					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>																
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&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 (2002).



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

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase 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>															
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Aggregate HMDA Data Only.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> 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: CALIFORNIA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					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>															
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Aggregate HMDA Data Only.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 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: CALIFORNIA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					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>															
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Aggregate HMDA Data Only.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all 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: JANUARY 1, 2002 TO DECEMBER 31, 2002				
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>									
Oakland AA	136	100.00	66.49	44.85	36.76	23.53	39.71	0.30	0.50

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&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 D&B - 2002).

<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 4.41% 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: JANUARY 1, 2002 TO DECEMBER 31, 2002					
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>									
Oakland AA	NA	NA	NA	NA	NA	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&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 D&B - 2002).

<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: CALIFORNIA			Evaluation Period: JANUARY 29, 1999 TO AUGUST 11, 2003				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Oakland AA	0	0	5	14039	5	14039	100.00	0	0
Regional	0	0	3	3,230	3	3,230	100.00	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: JANUARY 29, 1999 TO AUGUST 11, 2003									
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>																	
Oakland AA	100.00	4	100.00	0.00	0.00	25.00	75.00	1	0	0	0	0	1	0.00	0.00	26.30	73.70