



*Understanding the Relationship Between  
Investment Test Examination Criteria  
and  
Investment Test Ratings*

Prepared for the Center for Community Development Investments  
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## About the Report

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The opinions contained in this report do not necessarily represent the views of the Federal Reserve Bank of San Francisco or the Federal Reserve System. Financial institutions with CRA Investment Test obligations are encouraged to consult their primary regulator for guidance on regulatory matters.

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## Executive Summary

Many financial institutions have struggled to understand the most important factors considered by examiners in determining a rating for the Investment Test of the Community Reinvestment Act (CRA) examination for large institutions. Some have asserted that a certain quantitative level of investments, measured as either a percentage of assets or percentage of Tier 1 capital, would automatically yield an “outstanding” rating on the Investment Test. This analysis represents a more formal study of the relationship between a wide variety of factors considered by examiners—both quantitative and qualitative—in reaching their investment test ratings.

The report analyzes CRA performance evaluations completed in 2002 for financial institutions in the nine western states that comprise the Federal Reserve’s 12<sup>th</sup> District. All data used in the report are publicly available in CRA performance evaluations, Uniform Bank Performance Reports, and Consolidated Statements of Condition. Using this data, the report first considers whether investment volumes (expressed, for example, as the ratio of qualified investments to Tier 1 Capital), are predictive of Investment Test ratings. The report then examines whether qualitative considerations, such as the responsiveness of a qualified investment portfolio to community credit needs, are predictive of Investment Test ratings.

The results of these analyses suggest that Investment Test ratings are not derived solely from the dollar value of investments, and that qualitative considerations are more important factors in determining ratings. **In fact, the analysis shows that qualitative considerations, such as responsiveness to credit needs and innovation and complexity, are significantly more predictive of Investment Test ratings than investment volumes.**

Regression analysis was performed on a number of variables to determine which were most predictive of Investment Test ratings. The quantitative variables analyzed were: qualified investments (QI) as a percentage of assets, QI as a percentage of Tier 1 capital, and QI as a percentage of total investments. The qualitative variables analyzed were responsiveness to community credit needs and innovation and complexity. Of the variables analyzed, responsiveness to community credit needs was found to be the most predictive of Investment Test ratings, accounting for 76.2% of the variability in ratings. The quantitative variables were less predictive. For example, QI as a percentage of Tier 1 capital accounted for only 10.9% of the variability in Investment Test ratings.

The full analysis, including the methodology used, is found on pages 2-5 of this report. Pages 6-9 describe how the underlying data were collected. Finally, the bulk of the report, pages 10-69, contain one page summaries of each institution’s performance under the examination criteria. These summaries will be of interest to financial institutions that are interested in comparing Investment Test performance with peer institutions, and others interested in financial institution performance under the Investment Test.

## Qualified Investments Analysis – Summary Findings

The Community Reinvestment Act (CRA) empowers the federal financial regulators to examine financial institutions on how well they meet local community credit needs. Large institutions, those with more than \$250 in assets or under a holding company of more than \$1 billion in assets, are examined under three tests – the Lending Test, the Service Test, and the Investment Test. Regulation BB, which implements the CRA, states that the agencies evaluate the investment performance of an institution pursuant to the following criteria:

- (1) The dollar amount of qualified investments;
- (2) The innovativeness or complexity of qualified investments;
- (3) The responsiveness of qualified investments to credit and community development needs; and
- (4) The degree to which the qualified investments are not routinely provided by private investors.

Interested parties, including financial institution investors, have questioned the extent to which each of these four criteria influences Investment Test ratings. Some recently published analyses have asserted a direct correlation between investment volume and the rating received (see, for example, Milestone Advisors, “Current Insights on the CRA Investment Test”). This conclusion, however, is subject to question due to concerns about the methodology of these analyses. (*See Appendix A for further explanation of these concerns.*)

This report provides a formal examination of the presumed relationship between investment volumes (expressed, for example, as the ratio of qualified investments to Tier 1 Capital), and Investment Test ratings. The report also examines whether qualitative considerations, such as the responsiveness of a qualified investment portfolio to community credit needs, are predictive of Investment Test ratings.

In an effort to derive a statistically sound conclusion about the relationship between various quantitative and qualitative variables and Investment Test ratings, correlation analysis was used based on regression calculations. This approach sought to determine the most significant factors contributing to the Investment Test rating for evaluated institutions. Data were compiled from 60 large institution CRA examinations that began in calendar year 2002, performed by the four regulatory agencies for institutions located in the nine states that comprise the Federal Reserve’s 12<sup>th</sup> District.

### Numeric Data Analysis

This analysis suggests that there is **not a direct correlation between the volume of qualified investment and an institution’s Investment Test rating**. Even a cursory review of the data shows that two of the top three institutions in terms of qualified investments as a percent of assets received Low Satisfactory ratings, while an institution with one of the lowest ratios of investments to assets received an Outstanding rating.

Simple linear regression analysis was used to evaluate the relationship between various qualified investment ratios and Investment Test ratings. Those ratios were:

- Qualified Investments / Total Assets
- Qualified Investments / Total Investments
- Qualified Investments / Tier 1 Capital

In regression analysis, the relationship between two variables is measured by the Coefficient of Determination (or  $R^2$ ). This figure is represented as a percentage and explains what percent of the variability in one variable is caused by another. In this case, the Coefficient of Determination reveals what percent of the variability in Investment Test ratings is caused various factors. For example, regressing Qualified Investments / Total Assets vs. Investment Test Ratings reveals how well this ratio can predict what rating was received. In this case, for investments as a percentage of assets, the  $R^2$  is only 12.5%. This suggests that **only 12.5% of the variability in Investment Test Ratings can be explained by the relationship between Qualified Investments and Total Assets.** Figures for the other two ratios produced similar results.

Qualified Investments / Total Investments:  $R^2 = 9.2\%$   
Qualified Investments / Tier 1 Capital:  $R^2 = 10.9\%$

It is important to note that regression analysis is used to identify **relationships** between variables and not **causality**. Therefore, even if a variable is a perfect predictor statistically ( $R^2=100\%$ ), it does not prove that it will *cause* a particular Investment Test rating.

### **Why ratios alone don't tell the whole story**

While total dollars invested is a factor in determining Investment Test ratings, it does not appear to be the primary factor. There are several problems with relying solely on steadfast ratios to dictate ratings.

First, not all investment types receive equal consideration. Mortgage-backed securities (MBS), for example, may receive less consideration than another instrument because they may not be considered innovative or complex. An investment by an institution in a deal it put together itself using in-house expertise and resources may be given more weight than an MBS, even at a lower dollar value. MBS can also vary in the portion of the face value of the instrument that is supported by loans to low- and moderate-income borrowers. This can create different Investment Test values for equivalent face value investments.

Additionally, not all institutions have the opportunity to be innovative or to use complex investment vehicles because of performance context considerations. As a result, an institution's performance would be considered in light of a lack of progressive investment opportunity in its assessment area. Many institutions, particularly in remote locations, may only be able to invest in more conventional investment vehicles.

The analysis suggests there is no range of CRA-qualified investments as a percent of assets that will drop or raise an institution to a certain rating. This evidence suggests that Investment Test ratings are based on a broad range of criteria and not a targeted dollar amount of qualified investments.

### **Non-Numeric Data Analysis**

Understanding these examination dynamics and reviewing the results of the investment ratio regression analyses, it is clear that additional factors more significantly contribute to the final Investment Test rating. The fact that three of the four performance criteria as outlined in the CRA regulations are qualitative suggests that there is a great deal of emphasis placed on non-quantitative measures. In an effort to capture the significance of those criteria, additional analysis was conducted using non-numeric variables.

Many performance evaluations discuss an institution's propensity to use innovative or complex investments and to what extent they address specific community needs. Therefore two additional independent variables were created based on language within the performance evaluations. The qualitative variables were named "Innovative or Complex" and "Responsiveness to Community Needs," and were each regressed against Investment Test ratings.

All four regulatory agencies use similar language in describing the level of innovation or complexity of the investment vehicles used by an institution. This consistency makes it possible to assemble a 3-tier ranking for this category. If an institution is said to make use of innovative or complex instruments then a "Yes" is recorded. If their performance evaluation says an institution occasionally uses such instruments then "Occasionally" is recorded. Finally, if an institution does not use, or rarely uses, such instruments then a "No" is noted. Similarly, an institution's responsiveness to specific community needs in its assessment area is ranked "Limited," "Adequate," "Good," or "Excellent" based on the language in its performance evaluation. These "grades" were then used to create multiple variables used in the regression analysis. *(See the methodology section for further details.)* The report does not include a variable for "The degree to which the qualified investments are not routinely provided by private investors" due to limited examiner commentary on this criterion.

This analysis produced results vastly different from the ratio analysis. In the case of "Innovative or Complex," the regression shows some relationship between this descriptor and an institution's rating. In the case of "Responsiveness to Community Needs," however, the results show an even more significant relationship. Of all variables tested, this descriptor demonstrates the highest correlation to Investment Test ratings. The results of the qualitative analysis are as follows:

|                                    |                |
|------------------------------------|----------------|
| Innovative or Complex:             | $R^2 = 40.7\%$ |
| Responsiveness to Community Needs: | $R^2 = 76.2\%$ |

Again, this means there is a stronger fit between these variables and the final Investment Test rating than the quantitative factors. This is especially true in the case of "Responsiveness to Community Needs," which alone can explain 76% of the variability in the Investment Test ratings. This result was found consistently throughout all regulatory agencies.

### **Additional Analyses**

Additional analyses were conducted to assess the potential relationship between ratings and other factors, including:

#### ◇ Reliance on Mortgage Backed Securities

A regression was set up with the independent variable as MBS >50% vs. Investment Test rating and found no significant relationship. This was intended to measure the weight of investment diversification.

#### ◇ Influence of Institution Size

Comparing each institution's total assets to its Investment Test rating allowed a check for any possible bias towards larger institutions. The results showed that no relationship exists.

## Methodology

All regressions were run using sample sizes greater than 40 and were statistically significant as measured by p-values (simple linear regression) and F-statistics (multiple regression) with a 95% confidence interval.

The dependent variable in all scenarios was the Investment Test rating. Because this is a qualitative variable, an equivalent numeric scale was created to run the regressions. The scale is as follows:

|                               |     |
|-------------------------------|-----|
| Outstanding                   | = 5 |
| High Satisfactory             | = 4 |
| Low Satisfactory              | = 3 |
| Needs to Improve              | = 2 |
| Substantial-<br>Noncompliance | = 1 |

For the individual ratios, simple linear regression was used. Testing for “Innovative or Complex” and “Responsiveness to Community Needs” required multiple regression analysis due to the qualitative nature of the variables. Binary values of 1 or 0 were used for each qualitative independent variable. For example:

Testing Innovative or Complex vs. Investment Test rating

Independent variable 1 (X1) = 1 if “No”, 0 otherwise

Independent variable 2 (X2) = 1 if “Occasionally”, 0 otherwise

|              | X1 | X2 |
|--------------|----|----|
| No           | 1  | 0  |
| Occasionally | 0  | 1  |
| Yes          | 0  | 0  |

Similarly, when testing for the relationship between “Responsiveness to Community Needs” and Investment Test rating, the following approach was used.

Independent variable 1 (X1) = 1 if “Limited”, 0 otherwise

Independent variable 2 (X2) = 1 if “Adequate”, 0 otherwise

Independent variable 3 (X3) = 1 if “Good”, 0 otherwise

|           | X1 | X2 | X3 |
|-----------|----|----|----|
| Limited   | 1  | 0  | 0  |
| Adequate  | 0  | 1  | 0  |
| Good      | 0  | 0  | 1  |
| Excellent | 0  | 0  | 0  |

## **Investment Test Data**

The data for this report were gathered from performance evaluations from CRA examinations that began in calendar year 2002, performed by the four regulatory agencies for institutions located in the Federal Reserve's Twelfth District. This report includes every 2002 exam whose performance evaluation was publicly available as of June 30, 2004. Because the focus of this report is qualified Investment Test performance, data were included only for institutions subject to the large institution examination procedures. Institutions under the threshold limit of \$250 million in assets are only included if they were subject to large institution examination procedures due to the size of their holding company.

The intention of this report is to provide insight to regulated financial institutions, examiners, and other interested parties on Investment Test performance. By reviewing both the quantitative and qualitative data provided, an institution can compare its nominal and relative dollar investments and evaluate the overall effectiveness of its qualified investment strategy.

Each page outlines pertinent data for every institution in the following format:

### Three tables:

- ◇ Institution Information
- ◇ Performance Evaluation Data
- ◇ Qualified Investment Ratios

### Narrative Section:

- ◇ Selected excerpts from the performance evaluation, particularly comments related to innovative and complex investments

The following examples describe the subcategories of each table in further detail.

| <b>Institution Information</b> |                        |                     |                          |                       |
|--------------------------------|------------------------|---------------------|--------------------------|-----------------------|
| <b>Name</b>                    | <b>Assessment Area</b> | <b>Total Assets</b> | <b>Total Investments</b> | <b>Tier 1 Capital</b> |

The Institution Information section provides data on the relative size and investment capacity of each examined institution.

All data in this section are as of the quarter ending four to six months prior to the examination's start date since pre-examination data are typically collected the quarter before the exam begins.

Total assets, total investments, and Tier 1 capital information for financial institutions regulated by the Federal Reserve Bank of San Francisco (FRBSF), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) was obtained from Uniform Bank Performance Reports. Data for institutions regulated by the Office of Thrift Supervision (OTS) were obtained from the Consolidated Statements of Condition, schedule SC.

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                             |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|-----------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative / Complex | Responsiveness to Community Needs |

The Performance Evaluation Data section highlights each institution’s Investment Test rating and summarizes the factors which contribute to that rating.

The performance levels for the overall CRA rating are Outstanding (O), Satisfactory (S), Needs to Improve (NI), and Substantial Noncompliance (SN). The levels used for the Investment Test are Outstanding (O), High Satisfactory (HS), Low Satisfactory (LS), Needs to Improve (NI), and Substantial Noncompliance (SN).

Information on total donations & grants, prior period qualified investments (still outstanding), and unfunded qualified investment commitments are included when available. When this information is not available the field will read “N/A”. In all cases the aforementioned data are included in the “Total Qualified Investments” figure.

The Qualified Investment Mix field is intended to illustrate the diversification of investment vehicles utilized by each institution. The following acronyms are used throughout that section to describe various instruments.

- CDFI - Community Development Financial Institution
- CDMB - Community Development Municipal Bond
- LIHTC - Low Income Housing Tax Credit
- MBS - Mortgage Backed Security (Targeted)
- SBIC - Small Business Investment Company

While examiners consider the total qualified investment dollars during a given period, considerable weight is given to what those dollars are invested in. Therefore, two qualitative fields are included: “Innovative or Complex” and “Responsiveness to Community Needs.” The first addresses the extent to which the institution’s qualified investments are innovative or complex, and the second identifies how well the institution addresses specific community needs in its assessment area. As previously discussed, the Innovative or Complex field will contain either “No,” “Occasionally,” or “Yes;” Responsiveness to Community Needs will be described as “Limited,” “Adequate,” “Good,” or “Excellent”. If the performance evaluation does not discuss either qualitative variable, the field will read “N/A.”

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |

The final table, Qualified Investment Ratios, identifies the relative dollar investments of each institution. Assessing qualified investments as a percent of total assets, total investments, and Tier 1 capital allows some insight into relative magnitude of investment activity.

### **“Regulator commentary related to institution's innovative and complex investments”**

A significant contributor to an institution’s Investment Test rating is its ability to participate in “innovative or complex” investment vehicles. In some cases bankers have expressed a concern for the seemingly ambiguous nature of these terms. Therefore, in an effort to provide clarity, a section has been added to the report highlighting examples of specific investments that examiners have found to be particularly innovative or complex. This information can be found for each institution following the data tables under the heading “Regulator commentary related to institution's innovative and complex investments.”

## **Appendix A**

### *Milestone Advisors Analysis*

Milestone Advisors, a broker dealer, published a report titled “Current Insights on the CRA Investment Test.” In that report, it presented data which suggested the amount of qualified investments were highly correlated to Investment Test ratings:

|                   | QUALIFIED CRA INVESTMENTS AS A % OF |         |            |
|-------------------|-------------------------------------|---------|------------|
|                   | ASSETS                              | CAPITAL | SECURITIES |
| Outstanding       | 1.18                                | 13.44   | 4.14       |
| High Satisfactory | 0.53                                | 4.89    | 2.69       |
| Low Satisfactory  | 0.23                                | 2.61    | 1.49       |
| Needs to Improve  | 0.01                                | 0.11    | 0.10       |

Source: Milestone Advisors LLC

The results are based on *averages* compiled from 10 CRA performance evaluations from each regulatory institution.

This approach, however, does not account for outliers in the data samples or address the number of institutions in each rating category. For example, if one institution has an unusually high or low ratio of investments to assets, the data may appear conclusive while masking the information from the other institutions in the category. Averages make it difficult to detect these large deviations, contributing to the unreliability of the conclusions. In fact, analyzing the ratios for 2002 reveal that both the Outstanding and High Satisfactory categories have standard deviations higher than their respective averages. This suggests there is limited value in assessing these categories based on averages.

Furthermore, there is no mention of how many institutions are in each rating category. For example, it is highly possible that only two or three data points were available for Needs to Improve. This again raises issues with the statistical relevance of these data and therefore the conclusions drawn from them.

Regression analysis was the principal tool for this report because it provides a more robust and statistically valid conclusion than those drawn from averages.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |  |              |                   |                |
|-------------------------|--|--------------|-------------------|----------------|
| Name                    | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Affinity Bank</b>    | Los Angeles-Riverside-Orange County CMSA, San Francisco-Oakland-San Jose CMSA / California | \$676,000    | \$259,262         | \$40,881       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                                   | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.5                               | S              | NI                     | \$408                       | \$308              | N/A             | \$0      | 25% in CD with a CDFI, 75% in various grants and donations | No                           | Limited                           |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$273                       | 0.060%      | 0.157%           | 0.998%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |  |              |                   |                |
|-------------------------|--|--------------|-------------------|----------------|
| Name                    | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Anchor Bank</b>      | Grays Harbor County, Lewis County, Thurston County, Pierce County / Washington | \$382,926    | \$72,695          | \$43,884       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix  | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | O              | O                      | \$3,771                     | \$78               | \$439           | \$0      | Primary investment tool was non-profit community service center | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,886                     | 0.985%      | 5.187%           | 8.593%              |

### Regulator commentary related to institution's innovative and complex investments

AB purchased a \$2,750,000 bond from the Washington State Housing Finance Commission. The proceeds of the bond were used to provide funds for the Commission to retire the construction loan originated by the bank for the construction of a local community service center that primarily serves the needs of LMI families. This project is particularly innovative in that the bank was able to fund the construction loan as a community development project. By working with the Washington State Housing Finance Commission, AB was able to turn the loan into a bond. AB purchased the bond and retains the project in its portfolio.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information          |   |              |                   |                |
|----------------------------------|---|--------------|-------------------|----------------|
| Name                             | Assessment Area                         | Total Assets | Total Investments | Tier 1 Capital |
| <b>Arrowhead Community Bank*</b> | Maricopa County, Pinal County / Arizona | \$44,000     | \$4,885           | \$3,789        |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.9                               | S              | LS                     | \$218                       | \$17               | \$0             | \$0      | 69% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$114                       | 0.495%      | 4.463%           | 5.753%              |

### Regulator commentary related to institution's innovative and complex investments

While the bank rarely assumes a leadership role in providing investments & grants, they often assume a leadership role in participating with various community groups.

\* Subject to Large Bank Test because of size of holding company

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information      |                                      |              |                   |                |
|------------------------------|--------------------------------------|--------------|-------------------|----------------|
| Name                         | Assessment Area                      | Total Assets | Total Investments | Tier 1 Capital |
| <b>Bank of American Fork</b> | Utah County, Salt Lake County / Utah | \$419,648    | \$85,563          | \$55,518       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | HS                     | \$3,243                     | \$59               | \$1,000         | \$0      | 67% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,318                     | 0.773%      | 3.790%           | 5.841%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |                       |              |                   |                |
|-------------------------|-----------------------|--------------|-------------------|----------------|
| Name                    | Assessment Area       | Total Assets | Total Investments | Tier 1 Capital |
| <b>Bank of Tucson*</b>  | Pima County / Arizona | \$121,035    | \$26,152          | \$9,820        |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | LS                     | \$509                       | \$49               | \$0             | \$0      | 90% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$255                       | 0.421%      | 1.947%           | 5.186%              |

### Regulator commentary related to institution's innovative and complex investments

MBS generally must be purchased in \$1,000,000 dollar increments. However, because BOT did not have sufficient assets available for a \$1,000,000 investment, funds from two financial institution affiliates were pooled with BOT's investment in order to purchase the mortgage pool. While this investment is not particularly innovative or complex, consideration is given to the holding company's initiative to pool the funds of affiliate institutions and other outside partners in order to purchase the investment.

\* Subject to Large Bank Test because of size of holding company

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information               |                                   |              |                   |                |
|---------------------------------------|-----------------------------------|--------------|-------------------|----------------|
| Name                                  | Assessment Area                   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Black Mountain Community Bank*</b> | Clark County, Nye County / Nevada | \$50,900     | \$9,386           | \$4,545        |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.8                               | S              | LS                     | \$310                       | \$3                | \$0             | \$0      | 99% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$169                       | 0.609%      | 3.303%           | 6.821%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

\* Subject to Large Bank Test because of size of holding company

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information         |   |              |                   |                |
|---------------------------------|---|--------------|-------------------|----------------|
| Name                            | Assessment Area                         | Total Assets | Total Investments | Tier 1 Capital |
| <b>California Commerce Bank</b> | Los Angeles-Long Beach MSA / California | \$2,200,000  | \$1,241,546       | \$173,621      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | O              | O                      | \$134,066                   | \$261              | \$14,090        | \$0      | 96% in MBS               | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$67,033                    | 6.094%      | 10.798%          | 77.218%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information     |  |              |                   |                |
|-----------------------------|--|--------------|-------------------|----------------|
| Name                        | Assessment Area                            | Total Assets | Total Investments | Tier 1 Capital |
| <b>Cashmere Valley Bank</b> | Chelan County, Douglas County / Washington | \$452,948    | \$168,244         | \$40,918       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | LS                     | \$1,086                     | \$0                | \$66            | \$1,000  | 94% in LIHTC, most of which is unfunded | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$435                       | 0.240%      | 0.645%           | 2.654%              |

### Regulator commentary related to institution's innovative and complex investments

Through its membership in a statewide lending consortium, the bank purchased a \$70,000 bond during the last evaluation period. The bond funds rehabilitation of multifamily housing projects in rural areas for low- and moderate-income families. It is both innovative and complex; most of the development work was performed by the consortium with the support of its members.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |                    |              |                   |                |
|-------------------------|--------------------|--------------|-------------------|----------------|
| Name                    | Assessment Area    | Total Assets | Total Investments | Tier 1 Capital |
| Central Bank            | Utah County / Utah | \$357,024    | \$102,289         | \$55,955       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | LS                     | \$881                       | \$41               | \$614           | \$40     | 92% in various CDMBs     | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$441                       | 0.247%      | 0.861%           | 1.574%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information     |                                       |              |                   |                |
|-----------------------------|---------------------------------------|--------------|-------------------|----------------|
| Name                        | Assessment Area                       | Total Assets | Total Investments | Tier 1 Capital |
| <b>Central Pacific Bank</b> | Honolulu MSA, Hawaii Non-MSA / Hawaii | \$1,900,000  | \$444,377         | \$156,098      |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                             |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|-----------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix    | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.6                               | S              | O                      | \$20,525                    | N/A                | \$8,715         | \$2,015  | Primarily invested in CDMBs | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$7,771                     | 1.080%      | 4.619%           | 13.149%             |

### Regulator commentary related to institution's innovative and complex investments

The bank invested in nine City and County of Honolulu revenue bond issues to purchase and rehabilitate HUD-subsidized low-income multifamily rental housing projects for the elderly located in the Honolulu MSA. These transactions are complex due to the tax structure and number of involved entities.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information       |   |              |                   |                |
|-------------------------------|---|--------------|-------------------|----------------|
| Name                          | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Citizens Business Bank</b> | Orange MSA, Los Angeles-Long Beach MSA, Riverside-San Bernardino MSA / California | \$2,513,000  | \$1,181,025       | \$200,049      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                          | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | HS                     | \$24,394                    | \$465              | \$0             | N/A      | 42% in MBS, 47% in municipal redevelopment bonds. | No                           | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$12,197                    | 0.971%      | 2.065%           | 12.194%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## *Institutions Regulated by the Federal Deposit Insurance Corporation*

All figures in (\$000)

| <b>Institution Information</b> |  |              |                   |                |
|--------------------------------|--|--------------|-------------------|----------------|
| Name                           | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Columbia State Bank</b>     | Tacoma MSA, King County, Bremerton MSA, Olympia MSA / Washington | \$1,653,390  | \$296,051         | \$140,997      |

Institution Information as of 9/30/2002

| <b>Performance Evaluation Data</b> |                |                        |                             |                    |                 |          |                                       |                              |                                   |
|------------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---------------------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years  | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix              | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.7                                | S              | HS                     | \$5,352                     | \$91               | \$0             | \$980    | 57% in CDMB, 19% in LIHTC, 19% in MBS | Occasionally                 | Good                              |

| <b>Qualified Investment Ratios</b> |             |                  |                     |
|------------------------------------|-------------|------------------|---------------------|
| Avg. QI per year                   | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,948                            | 0.324%      | 1.808%           | 3.796%              |

### **Regulator commentary related to institution's innovative and complex investments**

The bank used qualified zone academy bond tax incentives to create an investment and then purchased the entire issue.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |   |              |                   |                |
|-------------------------|---|--------------|-------------------|----------------|
| Name                    | Assessment Area                                     | Total Assets | Total Investments | Tier 1 Capital |
| <b>Community Bank</b>   | Los Angeles-Long Beach MSA, Orange MSA / California | \$1,280,181  | \$337,237         | \$101,252      |

Institution Information as of 9/30/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.6                               | S              | HS                     | \$6,975                     | \$154              | N/A             | \$0      | 92% in MBS               | No                           | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,694                     | 0.545%      | 2.068%           | 6.889%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information       |   |              |                   |                |
|-------------------------------|---|--------------|-------------------|----------------|
| Name                          | Assessment Area                         | Total Assets | Total Investments | Tier 1 Capital |
| <b>First Continental Bank</b> | Los Angeles-Long Beach MSA / California | \$276,000    | \$59,146          | \$27,127       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | LS                     | \$1,076                     | \$8                | \$0             | \$0      | 99% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$431                       | 0.390%      | 1.818%           | 3.965%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information             |   |              |                   |                |
|-------------------------------------|---|--------------|-------------------|----------------|
| Name                                | Assessment Area                         | Total Assets | Total Investments | Tier 1 Capital |
| <b>First Northern Bank of Dixon</b> | Yolo County, Solano County / California | \$436,286    | \$116,323         | \$37,168       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix  | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.0                               | S              | HS                     | \$5,536                     | \$48               | \$2,790         | N/A      | 82% in State and Municipal Obligations (Bonds issued by local school districts) | N/A                          | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,845                     | 1.269%      | 4.759%           | 14.895%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information    |   |              |                   |                |
|----------------------------|---|--------------|-------------------|----------------|
| Name                       | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>First Republic Bank</b> | San Francisco County, Marin County, San Mateo County, Santa Clara County, Los Angeles County, Orange County, San Diego County, Clark County, New York County / California, Nevada, New York | \$4,200,000  | \$533,261         | \$250,551      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.2                               | S              | LS                     | \$4,090                     | \$722              | N/A             | N/A      | 51% in MBS               | Occasionally                 | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,843                     | 0.097%      | 0.767%           | 1.632%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information            |  |              |                   |                |
|------------------------------------|--|--------------|-------------------|----------------|
| Name                               | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Fremont Investment and Loan</b> | Los Angeles CMSA, San Francisco CMSA, Fresno County, Kern County, Kings County, Monterey County, Sacramento County, San Diego County, San Joaquin County, Tulare County / California | \$5,800,000  | \$416,484         | \$518,087      |

Institution Information as of 9/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix   | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.8                               | S              | LS                     | \$1,800                     | \$242              | \$0             | \$0      | 29% foregone dividends redirected to affordable housing, 24% in local CDFI | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$468                       | 0.031%      | 0.432%           | 0.347%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information                   |                         |              |                   |                |
|---|-------------------------|--------------|-------------------|----------------|
| Name                                      | Assessment Area         | Total Assets | Total Investments | Tier 1 Capital |
| <b>General Electric Capital Financial</b> | Salt Lake County / Utah | \$1,996,940  | \$927             | \$846,891      |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.6                               | O              | HS                     | \$4,105                     | \$182              | \$184           | \$0      | 77% in MBS               | Occasionally                 | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,606                     | 0.206%      | N/A              | 0.485%              |

### Regulator commentary related to institution's innovative and complex investments

The bank uses innovative investments and grants to support community development initiatives throughout its assessment area. These include qualified investments in small business and community development corporations and organizations engaged in affordable housing and rehabilitation.

## *Institutions Regulated by the Federal Deposit Insurance Corporation*

All figures in (\$000)

| <b>Institution Information</b> |   |              |                   |                |
|--------------------------------|---|--------------|-------------------|----------------|
| Name                           | Assessment Area                           | Total Assets | Total Investments | Tier 1 Capital |
| <b>Kitsap Bank</b>             | Kitsap County, Pierce County / Washington | \$444,000    | \$48,798          | \$42,876       |

Institution Information as of 9/30/2001

| <b>Performance Evaluation Data</b> |                |                        |                             |                    |                 |          |                          |                              |                                   |
|------------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years  | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                                | S              | HS                     | \$1,800                     | \$5                | \$0             | N/A      | 78% in MBS               | Yes                          | Good                              |

| <b>Qualified Investment Ratios</b> |             |                  |                     |
|------------------------------------|-------------|------------------|---------------------|
| Avg. QI per year                   | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$706                              | 0.405%      | 3.689%           | 4.198%              |

### **Regulator commentary related to institution's innovative and complex investments**

The bank's affordable housing revenue bond investment is considered complex because it is an unrated bond, which required the bank to evaluate the collateral, the feasibility of the project, market and economic conditions, and the quality and expertise of the developer. Furthermore, the bank's MBS investments were not purchased on the open market. Kitsap Bank assumed a leadership role in creating this investment by seeking an underwriter, directing the underwriter to originate mortgages to FNMA specifications to LMI borrowers in or near the bank's assessment area.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |                                 |              |                   |                |
|-------------------------|---------------------------------|--------------|-------------------|----------------|
| Name                    | Assessment Area                 | Total Assets | Total Investments | Tier 1 Capital |
| <b>Mill Creek Bank</b>  | Salt Lake City-Ogden MSA / Utah | \$2,900,000  | \$102,422         | \$293,012      |

Institution Information as of 9/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.7                               | S              | LS                     | \$4,150                     | \$459              | \$1,848         | \$2,170  | 97% in SBICs             | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,510                     | 0.143%      | 4.051%           | 1.416%              |

### Regulator commentary related to institution's innovative and complex investments

The bank innovatively used its large portfolio of manufactured homes by donating eight of these homes to entities serving low- and moderate- income individuals in its assessment area. The value of these homes approximated \$395,000.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information           |   |              |                   |                |
|-----------------------------------|---|--------------|-------------------|----------------|
| Name                              | Assessment Area                                   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Montecito Bank &amp; Trust</b> | Santa Barbara-Santa Maria-Lompoc MSA / California | \$473,000    | \$116,059         | \$33,856       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.3                               | S              | LS                     | \$940                       | \$18               | \$0             | \$0      | 97% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$403                       | 0.199%      | 0.810%           | 2.776%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |   |              |                   |                |
|-------------------------|---|--------------|-------------------|----------------|
| Name                    | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Northrim Bank</b>    | Anchorage MSA,<br>Mantanuska-Susitna County,<br>Fairbanks North Star County<br>/ Alaska | \$620,000    | \$91,775          | \$52,548       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                               |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|-------------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix      | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | NI                     | \$896                       | \$112              | \$0             | \$0      | 88% in one redevelopment bond | No                           | Limited                           |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$448                       | 0.145%      | 0.976%           | 1.705%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information   |  |              |                   |                |
|---------------------------|--|--------------|-------------------|----------------|
| Name                      | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Pacific Crest Bank</b> | Los Angeles MSA, San Diego MSA, Orange County MSA / California | \$543,508    | \$78,730          | \$52,154       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | HS                     | \$4,655                     | \$67               | \$2,891         | \$0      | 98% in MBS               | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,328                     | 0.856%      | 5.913%           | 8.925%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |  |              |                   |                |
|-------------------------|--|--------------|-------------------|----------------|
| Name                    | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Preferred Bank</b>   | Los Angeles-Long Beach MSA, Orange County MSA / California | \$652,000    | \$186,640         | \$58,989       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | LS                     | \$4,111                     | \$44               | \$977           | \$0      | 97% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,635                     | 0.631%      | 2.203%           | 6.969%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information     |   |              |                   |                |
|-----------------------------|---|--------------|-------------------|----------------|
| Name                        | Assessment Area                         | Total Assets | Total Investments | Tier 1 Capital |
| <b>Rainier Pacific Bank</b> | Pierce County, King County / Washington | \$496,000    | \$114,894         | \$38,838       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.5                               | S              | LS                     | \$10,609                    | \$22               | \$0             | \$0      | 100% in MBS              | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$7,105                     | 2.139%      | 9.234%           | 27.316%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## *Institutions Regulated by the Federal Deposit Insurance Corporation*

All figures in (\$000)

| Institution Information  |  |              |                   |                |
|--------------------------|--|--------------|-------------------|----------------|
| Name                     | Assessment Area                            | Total Assets | Total Investments | Tier 1 Capital |
| <b>Skagit State Bank</b> | Skagit County, Whatcom County / Washington | \$397,600    | \$126,670         | \$49,547       |

Institution Information as of 9/30/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix               | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | HS                     | \$3,504                     | \$8                | N/A             | N/A      | 82% in State and Municipal obligations | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,398                     | 0.881%      | 2.766%           | 7.071%              |

### Regulator commentary related to institution's innovative and complex investments

The bank has issued qualified zone academy bonds (QZABs) by qualifying public schools in the state. Since these bonds are the first of their kind to be issued in the state, the bank demonstrated leadership, and receives consideration for the complexity involved in analyzing these new investment vehicles.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information           |                               |              |                   |                |
|-----------------------------------|-------------------------------|--------------|-------------------|----------------|
| Name                              | Assessment Area               | Total Assets | Total Investments | Tier 1 Capital |
| <b>Sunrise Bank of San Diego*</b> | San Diego County / California | \$46,683     | \$4,289           | \$7,034        |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.7                               | S              | LS                     | \$7                         | N/A                | N/A             | \$0      | N/A                      | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$4                         | 0.014%      | 0.154%           | 0.094%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

\* Subject to Large Bank Test because of size of holding company

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information  |                 |              |                   |                |
|--------------------------|-----------------|--------------|-------------------|----------------|
| Name                     | Assessment Area | Total Assets | Total Investments | Tier 1 Capital |
| <b>USAA Savings Bank</b> | N/A             | \$3,470,357  | \$51,280          | \$338,972      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                             |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|-----------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix    | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | O              | O                      | \$35,728                    | \$4,112            | N/A             | N/A      | 59% in MBS,<br>17% in LIHTC | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$14,268                    | 1.030%      | 69.672%          | 10.540%             |

### Regulator commentary related to institution's innovative and complex investments

The use of low income housing tax credits totaling over 6.1 million reflects innovative and complex investments. Furthermore, the size of the investments and donations as well as the particular instruments used are such that private investors do not normally provide them.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information       |  |              |                   |                |
|-------------------------------|--|--------------|-------------------|----------------|
| Name                          | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Washington Mutual Bank</b> | Seattle-Tacoma-Bremerton CMSA, Bellingham MSA, Richland-Kennewick-Pasco MSA, Spokane MSA, Yakima MSA, Portland-Salem CMSA, Medford-Ashland MSA, Eugene-Springfield MSA, Corvallis MSA, Salt Lake City-Ogden MSA, Provo-Orem MSA, Boise MSA, Pocatello MSA/ Washington, Oregon, Utah, Idaho | \$27,800,000 | \$5,426,000       | \$1,813,000    |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                            | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.0                               | S              | HS                     | \$38,823                    | \$4,712            | N/A             | N/A      | 45% in LIHTC, 29% in equity equivalent investments. | Yes                          | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$12,941                    | 0.140%      | 0.715%           | 2.141%              |

### Regulator commentary related to institution's innovative and complex investments

The bank makes significant investments in direct and indirect LIHTC pools which are considered complex investment vehicles. They also invest and grant cash donations to a wide variety of organizations focused on affordable housing and community development.

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information |   |              |                   |                |
|-------------------------|---|--------------|-------------------|----------------|
| Name                    | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>West Coast Bank</b>  | Portland-Vancouver-Salem CMSA, Lincoln County, Tillamook County, Thurston County, Lewis County, Mason County / Oregon | \$1,500,497  | \$248,935         | \$124,137      |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix  | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.1                               | S              | LS                     | \$8,952                     | \$180              | \$3,267         | \$0      | 56% in partnership constructing affordable housing, 42% in various CDMBs. | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,889                     | 0.597%      | 3.596%           | 7.211%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information    |                                     |              |                   |                |
|----------------------------|-------------------------------------|--------------|-------------------|----------------|
| Name                       | Assessment Area                     | Total Assets | Total Investments | Tier 1 Capital |
| <b>Wilshire State Bank</b> | Los Angeles County MSA / California | \$490,009    | \$85,574          | \$35,925       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | NI                     | \$156                       | \$26               | \$0             | \$80     | N/A                      | No                           | Limited                           |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$63                        | 0.032%      | 0.182%           | 0.433%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Deposit Insurance Corporation

All figures in (\$000)

| Institution Information     |                       |              |                   |                |
|-----------------------------|-----------------------|--------------|-------------------|----------------|
| Name                        | Assessment Area       | Total Assets | Total Investments | Tier 1 Capital |
| <b>Yuma Community Bank*</b> | Yuma County / Arizona | \$33,412     | \$6,911           | \$3,288        |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.5                               | S              | LS                     | \$205                       | \$2                | \$0             | \$0      | 99% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$137                       | 0.612%      | 2.960%           | 6.222%              |

### Regulator commentary related to institution's innovative and complex investments

MBS generally must be purchased in \$1,000,000 dollar increments. However, because YCB did not have sufficient assets available for a \$1,000,000 investment, funds from two financial institution affiliates were pooled with YCB's investment in order to purchase the mortgage pool. While this investment is not particularly innovative or complex, consideration is given to the holding company's initiative to pool the funds of affiliate institutions and other outside partners in order to purchase the investment.

\* Subject to Large Bank Test because of size of holding company

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information |   |              |                   |                |
|-------------------------|---|--------------|-------------------|----------------|
| Name                    | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Bank of Hawaii</b>   | Honolulu MSA, Island of Tutuila, Island of Guam, Island of Saipan / Hawaii, | \$9,700,000  | \$3,592,793       | \$1,068,433    |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.8                               | O              | O                      | \$70,125                    | \$1,300            | \$53,459        | \$3,166  | 63% in LIHTCs            | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$24,996                    | 0.723%      | 1.952%           | 6.563%              |

### Regulator commentary related to institution's innovative and complex investments

The bank continues to support a number of CDFIs that make investments in low-income housing tax credit programs, which are more complex in nature than secondary market loan pools. Additionally, the bank started the first micro loan program in American Samoa with an initial grant to hire a loan officer and an investment to capitalize the loan fund.

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information    |                                 |              |                   |                |
|----------------------------|---------------------------------|--------------|-------------------|----------------|
| Name                       | Assessment Area                 | Total Assets | Total Investments | Tier 1 Capital |
| <b>Bank of Santa Clara</b> | Santa Clara County / California | \$601,000    | \$295,899         | \$42,604       |

Institution Information as of 9/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix   | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.7                               | S              | HS                     | \$4,354                     | N/A                | \$288           | \$890    | 57% in MBS, 11% in CD loan pools, 11% in smart growth fund, 8% in environmental fund | N/A                          | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,495                     | 0.724%      | 1.471%           | 10.220%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information       |                                 |              |                   |                |
|-------------------------------|---------------------------------|--------------|-------------------|----------------|
| Name                          | Assessment Area                 | Total Assets | Total Investments | Tier 1 Capital |
| <b>Barnes Banking Company</b> | Salt Lake City-Ogden MSA / Utah | \$473,000    | \$56,983          | \$63,826       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                                     | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.9                               | S              | NI                     | \$1,398                     | N/A                | \$660           | \$0      | Large portion of QI from prior period; largest QI outside AA | N/A                          | Limited                           |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$744                       | 0.296%      | 2.454%           | 2.191%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information           |   |              |                   |                |
|-----------------------------------|---|--------------|-------------------|----------------|
| Name                              | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Comerica Bank - California</b> | Los Angeles County, Orange County, San Jose County, Santa Cruz County, Maricopa County, Denver, King County / California, Arizona, Colorado, Washington | \$14,973,000 | \$4,601,673       | \$1,174,524    |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.0                               | S              | HS                     | \$46,800                    | N/A                | \$31,500        | \$11,114 | N/A                      | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$46,929                    | 0.313%      | 1.017%           | 3.985%              |

### Regulator commentary related to institution's innovative and complex investments

Comerica makes occasional use of innovative and complex investments to support community development initiatives. The bank regularly purchases low-income housing tax credits, and these types of investments occasionally require restructuring to effectively address affordable housing needs.

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information |   |              |                   |                |
|-------------------------|---|--------------|-------------------|----------------|
| Name                    | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>County Bank</b>      | Merced County, San Francisco County, Stanislaus County, Madera County, Fresno County, Tuolumne County, Mariposa county / California | \$826,000    | \$267,171         | \$57,862       |

Institution Information as of 9/30/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.6                               | S              | LS                     | \$8,000                     | \$26               | N/A             | \$0      | 79% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$3,087                     | 0.969%      | 2.994%           | 13.826%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information                                 |   |              |                   |                |
|---|---|--------------|-------------------|----------------|
| Name  | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Farmers and Merchants Bank of Central California</b> | Stockton-Lodi, Modesto-Merced, Sacramento-Yolo / California | \$932,000    | \$321,819         | \$91,104       |

Institution Information as of 9/30/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                                    | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | O              | O                      | \$5,179                     | \$179              | N/A             | N/A      | Primarily private bond issuances to fund affordable housing | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$3,087                     | 0.969%      | 2.994%           | 13.826%             |

### Regulator commentary related to institution's innovative and complex investments

F&M Bank is one of only two banks that are major contributors to a local homeless shelter for women and their children. The bank bought a site for the shelter and then structured a creative lease option that allowed the organization to conserve their capital and purchase the home over time. The bank has also issued private bonds in order to fund affordable housing projects. These were complex investments and required a great deal of effort and expertise. The issuance of these bonds resulted in significant cost savings to the local County Housing Authority, allowing the agency to redirect these funds to additional housing projects.

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information                         |   |              |                   |                |
|---|---|--------------|-------------------|----------------|
| Name  | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Farmers and Merchants Bank of Long Beach</b> | Orange County, Southwestern Los Angeles County / California | \$2,300,000  | \$1,493,227       | \$499,707      |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | LS                     | \$22,783                    | \$280              | \$21,832        | \$0      | 93% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$11,407                    | 0.991%      | 1.526%           | 4.559%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information          |  |              |                   |                |
|----------------------------------|--|--------------|-------------------|----------------|
| Name                             | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Foothill Independent Bank</b> | Los Angeles County, San Bernardino County, Riverside County / California | \$550,000    | \$99,158          | \$50,846       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.3                               | S              | HS                     | \$5,556                     | \$156              | \$0             | N/A      | N/A                      | N/A                          | N/A                               |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,408                     | 1.010%      | 5.603%           | 10.927%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information |                                   |              |                   |                |
|-------------------------|-----------------------------------|--------------|-------------------|----------------|
| Name                    | Assessment Area                   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Golden Gate Bank</b> | San Francisco County / California | \$457,000    | \$216,207         | \$27,472       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                                       | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | HS                     | \$2,172                     | N/A                | \$71            | \$850    | 67% in MBS or organizations that facilitate affordable housing | N/A                          | N/A                               |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$870                       | 0.475%      | 1.005%           | 7.906%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information             |                           |              |                   |                |
|-------------------------------------|---------------------------|--------------|-------------------|----------------|
| Name                                | Assessment Area           | Total Assets | Total Investments | Tier 1 Capital |
| <b>Harris Trust Bank of Arizona</b> | Maricopa County / Arizona | \$293,000    | \$35,158          | \$22,068       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.8                               | S              | HS                     | \$1,340                     | N/A                | \$0             | \$0      | N/A                      | N/A                          | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$486                       | 0.457%      | 3.811%           | 6.071%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information  |  |              |                   |                |
|--------------------------|--|--------------|-------------------|----------------|
| Name                     | Assessment Area                            | Total Assets | Total Investments | Tier 1 Capital |
| <b>North Valley Bank</b> | Shasta County, Trinity County / California | \$405,000    | \$86,237          | \$31,913       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | NI                     | \$100                       | \$0                | \$0             | \$0      | N/A                      | N/A                          | N/A                               |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$50                        | 0.025%      | 0.116%           | 0.314%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information        |  |              |                   |                |
|--------------------------------|--|--------------|-------------------|----------------|
| Name                           | Assessment Area                                    | Total Assets | Total Investments | Tier 1 Capital |
| <b>Union Safe Deposit Bank</b> | San Joaquin County, Stanislaus County / California | \$1,000,000  | \$442,094         | \$82,556       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.9                               | S              | LS                     | \$3,800                     | \$81               | \$1,048         | \$1,316  | 76% in MBS               | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$1,981                     | 0.380%      | 0.860%           | 4.603%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information     |                         |              |                   |                |
|-----------------------------|-------------------------|--------------|-------------------|----------------|
| Name                        | Assessment Area         | Total Assets | Total Investments | Tier 1 Capital |
| <b>United Security Bank</b> | Fresno MSA / California | \$471,000    | \$85,463          | \$46,220       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                              | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | O              | HS                     | \$6,000                     | N/A                | N/A             | \$1,300  | Primarily financing for affordable housing properties | N/A                          | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,980                     | 1.274%      | 7.021%           | 12.981%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Federal Reserve Bank of San Francisco

All figures in (\$000)

| Institution Information |   |              |                   |                |
|-------------------------|---|--------------|-------------------|----------------|
| Name                    | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Westamerica Bank</b> | Contra Costa County, Fresno County, Lake County, Marin County, Stanislaus County / California | \$3,900,000  | \$1,139,081       | \$273,176      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                                   |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|-----------------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix          | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | LS                     | \$63,000                    | N/A                | \$45,000        | \$6,000  | Most QIs are from previous period | N/A                          | N/A                               |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$31,500                    | 1.615%      | 5.531%           | 23.062%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## *Institutions Regulated by the Office of the Comptroller of the Currency*

All figures in (\$000)

| <b>Institution Information</b>             |                           |              |                   |                |
|--|---------------------------|--------------|-------------------|----------------|
| Name                                       | Assessment Area           | Total Assets | Total Investments | Tier 1 Capital |
| <b>Cupertino National Bank &amp; Trust</b> | San Jose MSA / California | \$2,290,000  | \$457,143         | \$185,730      |

Institution Information as of 6/30/2002

| <b>Performance Evaluation Data</b> |                |                        |                             |                    |                 |          |                          |                              |                                   |
|------------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years  | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.0                                | S              | HS                     | \$7,391                     | N/A                | \$1,845         | \$9,611  | 25% in MBS               | N/A                          | Good                              |

| <b>Qualified Investment Ratios</b> |             |                  |                     |
|------------------------------------|-------------|------------------|---------------------|
| Avg. QI per year                   | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,480                            | 0.323%      | 1.617%           | 3.979%              |

### **Regulator commentary related to institution's innovative and complex investments**

The bank has invested in a new local redevelopment fund that was established to make real estate investments in retail, office, commercial, industrial, multifamily, and select single-family housing properties in targeted low-income neighborhoods throughout the San Francisco Bay Area.

The fund is innovative and one of the first of its kind in the nation. Unlike conventional redevelopment funds, this fund specifically requires the projects to directly benefit low- and moderate-income persons rather than displace them. The bank was one of the first investors in this innovative fund.

## Institutions Regulated by the Office of the Comptroller of the Currency

All figures in (\$000)

| Institution Information       |                           |              |                   |                |
|-------------------------------|---------------------------|--------------|-------------------|----------------|
| Name                          | Assessment Area           | Total Assets | Total Investments | Tier 1 Capital |
| <b>San Jose National Bank</b> | San Jose MSA / California | \$812,000    | \$280,178         | \$65,000       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.0                               | S              | O                      | \$9,013                     | \$60               | \$0             | \$0      | 68% in MBS               | No                           | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$3,024                     | 1.110%      | 3.217%           | 13.866%             |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of the Comptroller of the Currency

All figures in (\$000)

| Institution Information     |                                  |              |                   |                |
|-----------------------------|----------------------------------|--------------|-------------------|----------------|
| Name                        | Assessment Area                  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Hawaii National Bank</b> | Oahu MA, Hawaii Maui AA / Hawaii | \$332,000    | \$67,458          | \$26,162       |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                                    |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|------------------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix           | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 3.0                               | S              | HS                     | \$497                       | \$53               | \$100           | \$6      | Largest investments are in an SBIC | N/A                          | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$168                       | 0.150%      | 0.737%           | 1.900%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information      |   |              |                   |                |
|------------------------------|---|--------------|-------------------|----------------|
| Name                         | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>American Savings Bank</b> | Honolulu County, Hawaii<br>County, Kauai County, Maui<br>County/ Hawaii | \$6,200,000  | \$2,880,484       | \$518,799      |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix                   | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | O              | HS                     | \$7,124                     | \$1,000            | \$2,550         | \$2,970  | 71% of QI were in affordable housing funds | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,854                     | 0.115%      | 0.247%           | 1.373%              |

**Regulator commentary related to institution's innovative and complex investments**

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information              |   |              |                   |                |
|--------------------------------------|---|--------------|-------------------|----------------|
| Name                                 | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Downey Savings and Loan Assn.</b> | Los Angeles-Riverside-Orange CMSA, San Francisco-Oakland-San Jose CMSA, Sacramento PMSA, San Diego MSA, San Luis Obispo-Atascadero-Paso Robles MSA, Santa Barbara-Santa Maria-Lompoc MSA / California | \$10,700,000 | \$315,695         | \$793,071      |

Institution Information as of 9/30/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.3                               | S              | HS                     | \$16,991                    | \$491              | \$6,400         | \$500    | 91% in MBS               | No                           | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$7,545                     | 0.159%      | 5.382%           | 2.142%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information                                     |   |              |                   |                |
|---|---|--------------|-------------------|----------------|
| Name  | Assessment Area                               | Total Assets | Total Investments | Tier 1 Capital |
| <b>First Federal Savings and Loan Assn. of Port Angeles</b> | Clallam County, Jefferson County / Washington | \$558,700    | \$128,143         | \$45,496       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix   | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.3                               | O              | HS                     | \$1,465                     | \$10               | \$0             | \$0      | 86% in local county bonds contributing to economic stabilization | No                           | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$651                       | 0.262%      | 1.143%           | 3.220%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information       |   |              |                   |                |
|-------------------------------|---|--------------|-------------------|----------------|
| Name                          | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Hawthorne Savings, FSB</b> | Los Angeles-Long Beach PMSA, Orange County PMSA, Ventura PMSA/ California | \$1,900,000  | \$138,704         | \$161,664      |

Institution Information as of 3/31/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |  |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix   | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | O              | HS                     | \$842                       | \$542              | \$0             | \$0      | 64% in grants & donations to affordable housing and youth programs | Occasionally                 | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$422                       | 0.044%      | 0.607%           | 0.521%              |

### Regulator commentary related to institution's innovative and complex investments

Hawthorne invested in various Neighborhood Housing Services Family Housing Funds. These investment pools provide down payment and closing cost assistance to low- and moderate-income homebuyers. Participation in these investment pools represents an innovative and somewhat complex investment vehicle that brings together financial institutions and local NHS offices, coordinates and directs investment in distressed areas, and provides homeownership opportunities to underserved individuals.

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information                             |  |              |                   |                |
|---|--|--------------|-------------------|----------------|
| Name  | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Home Federal Savings and Loan Assn. of Nampa</b> | Boise MSA, Pocatello MSA, Bingham County, Elmore County, Gem County, Jerome County / Idaho | \$392,600    | \$42,162          | \$33,633       |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | LS                     | \$32                        | \$32               | N/A             | N/A      | 100% were cash donations | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$16                        | 0.008%      | 0.076%           | 0.096%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information  |  |              |                   |                |
|--------------------------|--|--------------|-------------------|----------------|
| Name                     | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>IndyMac Bank, FSB</b> | Los Angeles-Long Beach PMSA, Orange County PMSA, Riverside-San Bernardino PMSA, Ventura PMSA/ California | \$7,400,000  | \$1,680,957       | \$742,590      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.0                               | S              | LS                     | \$5,700                     | \$394              | N/A             | \$2,400  | 91% in MBS               | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,850                     | 0.077%      | 0.339%           | 0.768%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information     |   |              |                   |                |
|-----------------------------|---|--------------|-------------------|----------------|
| Name                        | Assessment Area   | Total Assets | Total Investments | Tier 1 Capital |
| <b>Jackson Federal Bank</b> | Eastern portion of Los Angeles-Long Beach PMSA, Northern portion of Orange County PMSA, Western portion of Riverside-San Bernardino PMSA / California | \$1,400,000  | \$300,021         | \$164,500      |

Institution Information as of 12/31/2001

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                             |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|-----------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix    | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.3                               | S              | O                      | \$257                       | \$57               | N/A             | N/A      | Primarily invested in CDFIs | Yes                          | Excellent                         |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$114                       | 0.018%      | 0.086%           | 0.156%              |

### Regulator commentary related to institution's innovative and complex investments

The institution's equity investment in and loan participation with a CDFI was innovative and resulted in a national recognition award. The actual dollar amount of the investment was significant relative to the institution's size and presence at the time. When its asset size was less than \$500 million, Jackson Federal invested \$200,000 to become a shareholder in the Clearinghouse CDFI. The purpose of CDFI is to promote access to capital and local economic growth by investing in and supporting community development projects in the greater Southern California area.

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information |  |              |                   |                |
|-------------------------|--|--------------|-------------------|----------------|
| Name                    | Assessment Area  | Total Assets | Total Investments | Tier 1 Capital |
| <b>M&amp;I Bank</b>     | Las Vegas MSA, Milwaukee/Waukesha MSA, Naples MSA, Minneapolis/St. Paul MSA, Chicago MSA, Columbus MSA / Nevada, Wisconsin, Florida, Minnesota, Illinois, Ohio | \$669,000    | \$125,242         | \$101,454      |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.6                               | S              | LS                     | \$5,200                     | \$20               | \$0             | \$1,800  | 62% in MBS, 38% in SBICs | N/A                          | N/A                               |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$2,015                     | 0.777%      | 4.152%           | 5.125%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information            |  |              |                   |                |
|------------------------------------|--|--------------|-------------------|----------------|
| Name                               | Assessment Area                            | Total Assets | Total Investments | Tier 1 Capital |
| <b>Provident Savings Bank, FSB</b> | Riverside-San Bernardino PMSA / California | \$1,100,000  | \$307,662         | \$90,852       |

Institution Information as of 9/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | S              | LS                     | \$55                        | N/A                | \$31            | \$15     | N/A                      | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$22                        | 0.005%      | 0.018%           | 0.061%              |

### Regulator commentary related to institution's innovative and complex investments

N/A

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information         |  |              |                   |                |
|---------------------------------|--|--------------|-------------------|----------------|
| Name                            | Assessment Area                                  | Total Assets | Total Investments | Tier 1 Capital |
| <b>Riverview Community Bank</b> | Clark County, Washington<br>Non-MSA / Washington | \$406,400    | \$70,945          | \$49,410       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                          |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|--------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 2.5                               | O              | LS                     | \$58                        | \$51               | \$0             | \$0      | 88% were cash donations  | Occasionally                 | Good                              |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$23                        | 0.014%      | 0.082%           | 0.117%              |

### Regulator commentary related to institution's innovative and complex investments

The bank participated in loan pool investments through the Washington Community Development Association during the review period. These advances reflect a slightly complex investment vehicle through which Riverview and other financial institutions pool resources to originate loans for the preservation and creation of affordable housing.

## Institutions Regulated by the Office of Thrift Supervision

All figures in (\$000)

| Institution Information      |                                 |              |                   |                |
|------------------------------|---------------------------------|--------------|-------------------|----------------|
| Name                         | Assessment Area                 | Total Assets | Total Investments | Tier 1 Capital |
| <b>Standard Savings Bank</b> | Los Angeles County / California | \$853,500    | \$319,337         | \$83,009       |

Institution Information as of 6/30/2002

| Performance Evaluation Data       |                |                        |                             |                    |                 |          |                                       |                              |                                   |
|-----------------------------------|----------------|------------------------|-----------------------------|--------------------|-----------------|----------|---------------------------------------|------------------------------|-----------------------------------|
| Investment Review Period in Years | Overall Rating | Investment Test Rating | Total Qualified Investments | Donations & Grants | Prior Period QI | Unfunded | Qualified Investment Mix              | Are QI Innovative or Complex | Responsiveness to Community Needs |
| 1.5                               | S              | LS                     | \$197                       | \$2                | \$45            | \$0      | 100% in Tax Allocation Refunding Bond | No                           | Adequate                          |

| Qualified Investment Ratios |             |                  |                     |
|-----------------------------|-------------|------------------|---------------------|
| Avg. QI per year            | QI / Assets | QI / Investments | QI / Tier 1 Capital |
| \$132                       | 0.023%      | 0.062%           | 0.237%              |

### Regulator commentary related to institution's innovative and complex investments

N/A