

PUBLIC DISCLOSURE

July 28, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Columbia Bank
06121476

Tampa, Florida

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Columbia Bank prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of July 28, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The bank has a satisfactory record of helping to meet the credit needs of its assessment area. A greater portion of the loans are extended to customers who reside in the assessment area. The bank's overall performance with respect to lending activity to borrowers of different incomes, to businesses of different sizes, and throughout its assessment area is satisfactory. The bank has received no CRA-related complaints since the previous examination, and no evidence of discrimination or other illegal credit practices was noted during the examination.

DESCRIPTION OF INSTITUTION

Columbia Bank operates five offices with drive-in and automated teller machine (ATM) facilities at various branches. Columbia Bank had \$69.5 million in total assets on March 31, 1997. No legal or financial impediments that would hinder the bank's ability to meet the credit needs of the community were identified. The bank received a satisfactory CRA rating at its previous evaluation as of November 13, 1995.

Columbia Bank offers a variety of credit products to meet the community's credit needs. The types of credit products offered by the bank, as listed in the bank's public file, include consumer loans, real estate loans, and commercial loans. Also, the bank can service those customers requesting mortgage loans that are not offered through the bank's in-house products. Through an agreement with a local mortgage lender, the bank will accept the application from the customer and forward it for processing.

The composition of the loan portfolio according to the March 31, 1997 Consolidated Reports of Condition and Income is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	3.5%
Secured by one- to four-family dwelling	15.4%
Other real estate:	
Farmland	3.5%
Multifamily	1.5%
Nonfarm nonresidential	54.9%
Commercial and industrial	16.4%
Loans to individuals	4.8%
Total	100.0%

As illustrated by the table above, a large portion of the bank's loan portfolio consists of loans secured by nonfarm or nonresidential properties followed by commercial and industrial loans. This is consistent with the bank's strategic plan, which states that retail and small business (under \$5 million in annual sales) lending would be the bank's niche.

DESCRIPTION OF ASSESSMENT AREA: HILLSBOROUGH COUNTY

Columbia Bank's assessment area is Hillsborough County, which is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA #8280). The assessment area has been expanded since the previous examination. Hillsborough County is situated along Tampa Bay on the west coast of Florida. The county has three incorporated communities, which are the cities of Tampa, Temple Terrace, and Plant City. The MSA also contains Hernando, Pasco, and Pinellas counties. The bank's assessment area consists of 168 census tracts, 3 having zero population. Since the 1990 Census, the Census Bureau estimates that the population in Hillsborough County increased by 7.6 percent as of July 1, 1996. The 1996 population estimate for Hillsborough County was 897,522. This is a moderate increase in population for the county.

The bank's assessment area has 15 low-income census tracts, 36 moderate-income tracts, 70 middle-income tracts, and 47 upper-income tracts. The chart below illustrates the distribution of census tracts by tract income level and the distribution of the population by the income level of the tract in which they live.

DISTRIBUTION OF		
CENSUS TRACTS		POPULATION BY TRACT INCOME LEVEL
Low	8.9%	3.7%
Moderate	21.4%	17.6%
Middle	41.7%	42.9%
Upper	28.0%	35.8%

The 51 low- and moderate-income census tracts represent 30 percent of total tracts, and 21 percent of the total population lives in these tracts. With 42.9 percent and 35.8 percent of the population in middle- and upper-income census tracts, respectively, it is expected that the largest percentage of loans would be originated in these tracts.

DESCRIPTION OF ASSESSMENT AREA: HILLSBOROUGH COUNTY (CONTINUED)

The assessment area contained 221,211 families¹ as of the 1990 Census. 17.9 percent of the total families are low-income; 16.9 percent are moderate-income; 21.7 percent are middle-income; and 43.5 percent are upper-income. Of the total families, 9.5 percent live below the poverty level. The greatest number of households² living below the poverty level reside in middle-income census tracts. Low-income census tracts contain the largest percentage of households living below poverty. 53.9 percent of the households in low-income census tracts are below the poverty level.

According to the 1990 Census, the family median income for the assessment area was \$33,645, which was slightly more than the MSA family income of \$31,244 and the state median family income of \$32,212. Low-income families earn less than \$15,622; moderate-income families earn between \$15,622 and 24,994; middle-income families earn between \$24,995 and 37,492; and upper-income families have annual incomes of \$37,493 or more.

The labor force in the MSA increased to approximately 1.1 million persons in 1997 from 988,670 in 1990, representing an increase of 11.6 percent. The labor force in the bank's assessment area increased by 12.7 percent during the same period. The labor force for Hillsborough County was 440,402 persons in 1990 and increased to 496,139 in 1997. The county's economic activity draws on tourism, service, manufacturing, and government. According to the Regional Economic Information System, the industries with the greatest increase for total full- and part-time employment are the service industry and agricultural services, which increased by 23.2 percent and 20.6 percent, respectively, between 1990 and 1994. The 1993 U.S. Census employment data for county business patterns shows a total of 23,512 businesses located in the bank's assessment area. 94 percent of the total businesses have fewer than 50 employees. The majority of these businesses are in the services and retail trade industries.

¹Families consist of a household and one or more other occupants related to the householder by birth, marriage, or adoption. Therefore, a single person living alone or two or more unrelated individuals living together are not considered to be a family.

²The census data available does not include the percentage of families in each geography; however, data is available for households. A household is defined as all persons occupying a housing unit.

DESCRIPTION OF ASSESSMENT AREA: HILLSBOROUGH COUNTY (CONTINUED)

The unemployment rate for the bank's assessment area decreased from 4.5 percent in April 1990 to 3.4 percent in April 1997. This rate is slightly lower than the MSA at 3.5 percent and significantly lower than the state at 4.6 percent.

According to the 1990 Census data, 55.7 percent of the 367,740 housing units in the bank's assessment area were owner-occupied, 32.6 percent were renter-occupied, and 11.7 percent were vacant. The assessment area has mostly single-family units (58.9 percent) followed by buildings with 5 or more units (21.2 percent). 11.4 percent of the housing units are mobile homes. Most of the housing units in low-income tracts are rental and vacant units. However, housing units in middle- and upper-income tracts are predominantly owner-occupied units. Because most of the population (79 percent) resides in middle- and upper-income tracts, most of the housing units are located in these tracts. The median housing value for the assessment area is \$72,433, which is slightly higher than the median housing value of the MSA at \$70,886, and lower than the median housing value for the state of Florida at \$76,487.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

Based on information from the bank's Consolidated Reports of Condition and Income, the bank's average loan-to-deposit ratio for the nine quarters ended March 31, 1997, is 31.7 percent. From March 31, 1995, to March 31, 1997, the bank's loan-to-deposit ratio increased slightly from 31.4 percent to 33.7 percent. A review of the bank's records from December 1996 to June 1997 shows a high level of loans paid out compared to the low number of loans originated, which contributes to the low loan-to-deposit ratio.

Of the 22 other financial institutions in Hillsborough County, 11 are comparable in size. The average loan-to-deposit ratios for the 11 competitors range from 31.7 percent to 75.0 percent. The bank's average loan-to-deposit ratio is the lowest of all its competitors of similar size but is considered reasonable because of the bank's historically high loan payout rate.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Lending in Assessment Area

To evaluate the bank's performance, 54 consumer and 52 small business³ loans were analyzed to determine the percentage of loans the bank originated within its assessment area. A substantial majority of the bank's lending activity occurs within the assessment area. 53 (98 percent) of the consumer loans and 48 (94 percent) of the small business loans were extended to borrowers located within the bank's assessment area. Columbia Bank's lending within the assessment area exceeds the standards for satisfactory performance.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Of the 53 consumer loans originated in the bank's assessment area, 13 did not include income information. The bank does not record the incomes of borrowers when loans are secured by certificates of deposit, stocks, and savings accounts.

The bank's lending to borrowers of various income levels based on the 40 consumer loans in the assessment area with income data is detailed below.

INCOME LEVEL	PERCENTAGE OF TOTAL FAMILIES IN ASSESSMENT AREA	CONSUMER LOANS	
		NUMBER	PERCENT
Low	17.9%	14	35%
Moderate	16.9%	5	13%
Middle	21.7%	9	22%
Upper	43.5%	12	30%
Total	100.0%	40	100%

³A small business loan is defined as a loan originated in an amount of \$1 million or less. A small business is defined as a business with gross annual revenues of \$1 million or less.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA
(CONTINUED)**

Loans were originated at percentages close to or greater than the percentage of the total families in the assessment area for low-, moderate-, and middle-income borrowers. The percentages of lending shown above indicate the bank's willingness to meet the credit needs of all borrowers regardless of income level. The percentage of loans to upper-income borrowers is less than the percentage of upper-income families in the assessment area; however, upper-income borrowers usually have greater access to alternative methods of financing than low- and moderate-income borrowers.

Of the 48 business loans originated within the bank's assessment area, 29 were reported with business revenues and 11 were reported with borrower income. Of the 29 reported loans with business revenues, 23 (79 percent) were to businesses with revenues of \$1 million or less. The following chart depicts the distribution of business loans by dollar amount size.

LOAN AMOUNT	BASED ON BUSINESS REVENUES		BASED ON BORROWER'S INCOME	
	NUMBER OF LOANS	PERCENTAGE OF LOANS	NUMBER OF LOANS	PERCENTAGE OF LOANS
\$100,000 or less	22	96%	10	91%
\$100,000 to \$250,000	1	4%	1	9%
\$250,001 to \$1,000,000	0	0%	0	0%
Total	23	100%	11	100%

As indicated by the chart above, the majority of the loans were in amounts of \$100,000 or less. This high percentage indicates the bank's willingness to meet the credit needs of small businesses. Of the loans originated based on borrower's income, 27 percent were to low- and moderate-income borrowers. Lending to small businesses is consistent with the bank's business strategy of targeting the retail and small business market. The bank defines its small business market as businesses with revenues under \$5 million.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Generally, the bank's performance in lending to businesses of different sizes and to borrowers of different income levels meets satisfactory standards.

Geographic Distribution of Loans

The geographic distribution of loans by the income level of the census tracts in the bank's assessment area was analyzed using the samples of 53 consumer loans and 48 small business loans. The geographic distribution meets the standards for satisfactory performance. The following table summarizes the distribution of the loans sampled.

CENSUS TRACT TYPE	PERCENTAGE OF FAMILIES IN ASSESSMENT AREA	PERCENTAGE OF TOTAL CONSUMER LOANS IN ASSESSMENT AREA	PERCENTAGE OF TOTAL SMALL BUSINESS LOANS IN ASSESSMENT AREA
Low-income	3.0%	4%	8%
Moderate-income	15.7%	28%	31%
Middle-income	42.9%	32%	33%
Upper-income	38.4%	36%	28%

The table shows that consumer loans and small business loans are distributed reasonably throughout the bank's assessment area and especially in low- and moderate-income census tracts. The percentage of loans in middle- and upper-income census tracts is somewhat lower than the percentage of families residing in these tracts, which is contrary to the expectation that most loans would be originated in middle- and upper-income census tracts since the majority of the population resides in these tracts. Because 62.7 percent of middle- and upper-income families reside in middle-income census tracts and 82 percent of these families reside in upper-income census tracts, the level of lending in these census tracts is not of great concern because these borrowers usually have more alternatives for seeking financing than families living in low- and moderate-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Complaints

No complaints relating to CRA performance have been filed against the bank since the previous examination.

Compliance with Antidiscrimination Laws

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices have the intent or the effect of discouraging applicants for credit.