

PUBLIC DISCLOSURE

May 27, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

RBC Centura Card Bank
RSSD Number: 2914820

Atlanta, Georgia

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303-2713

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.

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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 RBC Centura Card Bank, Atlanta, Georgia, prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of May 27, 2003. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all, of the institution's branches. 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 Outstanding.

The bank is considered a limited purpose bank under CRA. Because of stipulations in the bank's charter, it cannot originate any loans except credit card loans. As a result, the bank did not have any community development loans. RBC Centura Card Bank has an **EXCELLENT LEVEL** of qualified investments. Qualified investments totaled approximately \$2.1 million during the review period. The institution **RARELY USES** innovative or complex qualified investments. The institution has exhibited **GOOD** responsiveness to credit and community economic needs in its assessment area. Considering the number of employees at RBC Centura Card Bank, the bank has participated in a **RELATIVELY HIGH LEVEL** of community development services.

DESCRIPTION OF INSTITUTION

RBC Centura Card Bank, a wholly owned subsidiary of RBC Centura Bank, Rocky Mount, North Carolina, is a de novo and Georgia-chartered special purpose bank that began operations on July 12, 2000. RBC Centura Bank is a wholly owned subsidiary of RBC Centura Banks, Incorporated, which is a multi-bank holding company located in Rocky Mount, North Carolina. This holding company is a subsidiary of the Royal Bank of Canada, Montreal, Quebec. The Royal Bank of Canada is the largest financial institution in Canada.

RBC Centura Card Bank operates one office in the Buckhead community in Atlanta, Georgia. Prior to relocating to the Buckhead community, the bank operated its office in Norcross, Georgia. The bank offers a very narrow credit product line that includes only credit cards. The bank's primary markets for credit card applications are the states of Virginia, North Carolina, South Carolina, Tennessee, and Georgia. The bank does not accept deposits from the general public. As of December 31, 2002, the bank had total assets of \$9.6 million, of which \$4.2 million were loans. Of the \$4.2 million loans outstanding, all were credit card loans. Credit card applications are primarily submitted via the internet or the telephone. Applications are also submitted via the bank's parent company's branch offices (RBC Centura Bank).

RBC Centura Card Bank was designated a "limited purpose" institution on March 16, 2002. Because the bank was seeking approval of this designation prior to the start of the compliance examination dated March 4, 2002, the Board of Governors granted a delay for performing the CRA examination. The bank was granted a delay of one year pending the approval of the limited purpose designation, which was granted on March 11, 2002. For the purpose of this examination, the bank's assessment area is the Atlanta Metropolitan Statistical Area (MSA).

DESCRIPTION OF ASSESSMENT AREA: ATLANTA MSA

The bank's assessment area consists of the entire Atlanta MSA. This assessment area includes the following counties in the state of Georgia: Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, and Walton. The assessment area does not arbitrarily exclude any low- or moderate-income tracts and is in compliance with the CRA regulation.

Demographic Data by Census Tracts

The following table provides demographic information that was used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in the report as they apply to particular parts of the analysis.

ATLANTA ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (MSA): \$71,200 Income Categories	Tract Distribution		Families						
	#	%	Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income		
			#	%	#	%	#	%	
	Low	61	12.1%	41,046	5.2%	17,134	41.7%	152,855	19.5%
	Moderate	118	23.4%	153,224	19.5%	21,035	13.7%	143,381	18.3%
	Middle	192	38.1%	352,287	44.9%	17,773	5.0%	185,331	23.6%
	Upper	128	25.4%	237,837	30.3%	4,817	2.0%	302,827	38.6%
	NA	5	1.0%	0	0.0%	0	0.0%	-	-
	Total	504	100.0%	784,394	100.0%	60,759	7.7%	784,394	100.0%
	Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
		#	%	#	%	#	%		
Low	76,029	19,499	2.8%	25.6%	43,295	56.9%	13,235	17.4%	
Moderate	247,330	116,655	16.9%	47.2%	102,683	41.5%	27,992	11.3%	
Middle	553,251	312,122	45.1%	56.4%	187,754	33.9%	53,375	9.6%	
Upper	347,747	243,110	35.2%	69.9%	77,450	22.3%	27,187	7.8%	
NA	10	10	0.0%	100.0%	0	0.0%	0	0.0%	
Total	1,224,367	691,396	100.0%	56.5%	411,182	33.6%	121,789	9.9%	
Total Businesses by Tract			Businesses by Tract and Revenue Size						
	#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported		
			#	%	#	%	#	%	
Low	11,226	3.5%	7,520	3.8%	699	4.0%	3,007	2.8%	
Moderate	46,945	14.5%	31,555	15.8%	2,389	13.7%	13,001	12.3%	
Middle	141,542	43.8%	89,521	44.7%	7,592	43.4%	44,429	42.1%	
Upper	123,734	38.3%	71,742	35.8%	6,797	38.9%	45,195	42.8%	
NA	3	0.0%	2	0.0%	0	0.0%	1	0.0%	
Total	323,450	100.0%	200,340	100.0%	17,477	100.0%	105,633	100.0%	
Percentage of Total Businesses:				61.9%		5.4%		32.7%	

Sources: 1990 Census Data, 2002 Dun & Bradstreet business demographic data.
 NA Tracts are tracts without household or family income.

DESCRIPTION OF ASSESSMENT AREA: ATLANTA MSA (Continued)
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Population Characteristics

At the time of the 1990 Census, the population of the bank's assessment area was 2,959,950 persons. This figure represented 45.6 percent of the population of the state of Georgia. According to the U.S. Census Bureau, the assessment area's estimated population for 2001 is 4,187,003, an increase of 41.4 percent.

Income Characteristics

At the time of the 1990 Census, there were 784,394 families in the assessment area. 19.5 percent of the families were considered low-income; 18.3 percent were considered moderate-income; 23.6 percent were considered middle-income; and 38.6 percent were considered upper-income. Of the total families in the assessment area, 60,759 families (7.7 percent) have incomes below the poverty level. The 2001 and 2002 HUD median family income for the Atlanta MSA was \$66,500 and \$71,200, respectively.

Housing Characteristics

According to the 1990 Census, there are 1,224,367 housing units in the assessment area, of which 56.5 percent are owner-occupied units. 1990 Census data show that the median housing value for owner-occupied units in the assessment area was \$88,358, which is 24.9 percent higher than the median housing value for the state of Georgia at \$70,707. The estimated median housing value for the Atlanta MSA in 2001 was \$151,239, an increase of 71.2 percent when compared to the 1990 Census figure. According to the 1990 Census, the gross median rent in the Atlanta MSA was \$525, which is 21 percent higher than the gross median rent for the state of Georgia at \$433. The 2001 estimated gross median rent for the Atlanta MSA was \$771, an increase of 46.7 percent when compared to the 1990 Census figure.

Employment Statistics

The primary employers in the bank's assessment area are the manufacturing, services, government, and retail trade industries. According to the Bureau of Labor Statistics, the average annual unemployment rates for the Atlanta MSA in 2001 and 2002 were 3.5 percent and 5.3 percent, respectively. The average annual unemployment rates for the state of Georgia for 2001 and 2002 were 4.0 percent 5.1 percent, respectively. The Atlanta MSA economy has been affected by numerous companies downsizing and closing offices. Some of these companies included Delta Airlines, Coca Cola, MCI, JC Penny, and BellSouth Corporation.

DESCRIPTION OF ASSESSMENT AREA: ATLANTA MSA (Continued)
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Business Size Characteristics

The demographic table on page 3 provides key demographic business data by revenue size and tracts in the assessment area. The table illustrates that, in 2002, according to Dun & Bradstreet, 61.9 percent of the businesses in the assessment area had total annual revenues of less than \$1 million and, therefore, were considered to be small businesses.

Competition

The assessment area has a highly competitive banking market due to the significant presence of banks in the market. There are several financial institutions operating offices in the assessment area that are subject to the Large Bank Test under CRA and are competitively seeking community development loans, investments, and services. Assets of these institutions range from \$250 million to \$300 billion. The assessment area has numerous community development investment opportunities; however, existing relationships between investment firms and traditional banks are frequently determining factors in the awareness of and access to investments. Local competition does seem to negatively affect the bank's ability to serve the credit needs of its assessment area in this regard.

Community Contacts

As part of the CRA examination, information was obtained from two community contacts regarding local economic conditions and community credit needs. These contacts were local governmental economic and housing development entities. The contacts had positive comments regarding the degree of involvement of the financial institutions in the community. They indicated that the general banking and credit needs are being well served in the community and that, when there are opportunities for participation by local financial institutions in community development and other credit-related projects, the local financial institutions participate in these projects.

Other Information

Numerous organizations with a purpose of community development exist in the Atlanta MSA. Community Development Corporations, Community Development Financial Institutions, Small Business Investment Companies, and Small Business Development Companies are located throughout the Atlanta MSA. The Atlanta MSA contains targeted enterprise and redevelopment zones where investment opportunities exist.

CONCLUSIONS WITH RESPECT TO THE COMMUNITY DEVELOPMENT TEST

COMMUNITY DEVELOPMENT LENDING

Because of the bank's charter, it is prohibited from originating any types of loans except credit card loans. As a result, the RBC Centura Card Bank did not originate any community development loans.

COMMUNITY DEVELOPMENT INVESTMENTS

Considering the asset size of the bank and the level of competition in the market, RBC Centura Card Bank's participation in community development investments is considered **EXCELLENT**. Additionally, the bank has exhibited **A RELATIVELY HIGH LEVEL OF** responsiveness to credit and community economic needs in its assessment area. Total investments equaled \$2.1 million. RBC Centura Card Bank purchased a \$1.9 million Freddie Mac mortgage-backed security securitized by mortgages from low- to moderate-income borrowers in the Atlanta MSA. Additionally, the bank committed \$200,000 to the East Lake Community Foundation (ELCF), of which \$50,000 was funded in January 2003. ELCF seeks to revitalize East Lake through the physical transformation of the neighborhood, particularly the redevelopment of East Lake Meadows, a failed public housing project, and through long-term educational, recreational, and self-sufficiency programs for community residents, most of which are low- and moderate-income families. These services include home ownership counseling, debt management, welfare to work programs, and credit counseling.

COMMUNITY DEVELOPMENT SERVICES

Considering the level of competition and opportunities in the assessment area along with the size of the RBC Credit Card Bank's staff, the bank has provided a **RELATIVELY HIGH LEVEL** of financial services in its assessment area that meets the definition of community development services. The bank has sponsored five first-time homebuyer and "understanding your credit report" seminars through the Consumer Credit Counseling Service throughout the Atlanta MSA. As a part of the sponsorship, bank staff presented credit information associated with obtaining a mortgage. Additionally, the bank has conducted classes targeted to students from low- and moderate-income families at a local technical school regarding obtaining loans, understanding credit reports, and the importance of maintaining good credit. Additionally, the bank's parent company, RBC Centura Bank, services loans originated in Atlanta for Habitat for Humanity at no cost.

CONCLUSIONS WITH RESPECT TO THE COMMUNITY DEVELOPMENT TEST (Continued)

COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS

RBC Centura Card Bank solicits applications from all segments of its communities, including low- and moderate-income individuals and areas. The bank's policies and internal control procedures are adequate to ensure that the evaluation of credit applications is based solely on financial and economic considerations. No evidence of prohibited discrimination or the use of other illegal credit practices was noted during the examination. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.

APPENDIX A

SCOPE OF EXAMINATION

TIME PERIOD REVIEWED: July 12, 2000 through May 19, 2003

FINANCIAL INSTITUTION	PRODUCTS REVIEWED
RBC Centura Card Bank	Community Development Investments, Grants, and Services

FINANCIAL INSTITUTION	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
RBC Centura Bank, Rocky Mount, North Carolina	Parent Company	Community Development Investments, Grants, and Services

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION

ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Atlanta, Georgia MSA	Full Scope	NA	NA

APPENDIX B

GLOSSARY

Assessment Area: A delineated community including the geographies in which the bank has its main office, branches, and deposit-taking Automated Teller Machines (ATMs), as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans, including home mortgage loans, small business and small farms loans, and any other loans on which the bank chooses to have its performance assessed.

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

Community development: Initiatives in the form of loans, investments, or services which provide for the following: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

Full review: Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act ("HMDA"): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

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

APPENDIX B (Continued)

Limited review: Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Metropolitan area (“MA”): Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”) or consolidated metropolitan statistical area (“CMSA”) as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

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

APPENDIX B (Continued)

Small loan(s) to business(es): A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (“Call Report”) and the Thrift Financial Reporting (“TFR”) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in “loans to small farms” as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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