

FEDERAL RESERVE BOARD

Royal Bank of Canada
Montreal, Canada

Order Approving the Acquisition of a Bank Holding Company

Royal Bank of Canada (“RBC”) and its subsidiary bank holding companies (collectively, “Applicants”), including RBC Centura Banks, Inc. (“RBC Centura”),¹ Raleigh, North Carolina, all financial holding companies within the meaning of the Bank Holding Company Act (“BHC Act”), have requested the Board’s approval under section 3 of the BHC Act² to acquire Alabama National Bancorporation (“ANB”), Birmingham, Alabama, and its ten subsidiary banks.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (72 Federal Register 68,163 (2007)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in the BHC Act.

¹ Applicants also include the following companies: Royal Bank Holding, Inc., Toronto, Canada; RBC Holdings (USA), Inc. and RBC USA Holdco Corporation, both of New York, New York; and Prism Financial Corporation, Wilmington, Delaware.

² 12 U.S.C. § 1842.

³ ANB’s largest subsidiary bank, as measured by both assets and deposits, is First American Bank (“ANB Lead Bank”), Birmingham. ANB’s other subsidiary bank in Alabama is Alabama Exchange Bank, Tuskegee. ANB’s subsidiary banks in Florida are Community Bank of Naples, National Association, Naples; CypressCoquina Bank, Ormond Beach; First Gulf Bank, National Association, Pensacola; Florida Choice Bank, Mount Dora; Indian River National Bank, Vero Beach; and Millennium Bank, Gainesville. ANB’s subsidiary banks in Georgia are Georgia State Bank, Mableton, and The Peachtree Bank, Duluth.

RBC, with total consolidated assets equivalent to \$569.8 billion, is the largest depository organization in Canada.⁴ RBC operates branches in New York City and Miami and through RBC Centura controls RBC Centura Bank (“Centura Bank”), Raleigh, which operates in six states.⁵ RBC Centura, with total consolidated assets of \$25.5 billion, is the 53rd largest depository organization in the United States, controlling \$13.6 billion in deposits.⁶ RBC Centura is the sixth largest depository organization in Alabama, controlling deposits of approximately \$1.7 billion. In Florida, RBC Centura is the 35th largest depository organization, controlling deposits of approximately \$1.1 billion, and in Georgia, RBC Centura is the 9th largest depository organization, controlling deposits of approximately \$2.2 billion.

ANB has total consolidated assets of approximately \$7.8 billion, and its subsidiary banks operate in Alabama, Florida, and Georgia. In Alabama, ANB is the sixth largest depository organization, controlling deposits of \$2.8 billion. ANB is the 23rd largest depository organization in Florida, controlling deposits of \$2.1 billion, and is the 18th largest depository organization in Georgia, controlling deposits of \$866.9 million.

On consummation of the proposal, RBC Centura would become the 47th largest depository organization in the United States, with total consolidated assets of approximately \$33.3 billion. RBC Centura would control deposits of

⁴ Canadian asset and ranking data are as of October 31, 2007, and are based on the exchange rate as of that date.

⁵ Centura Bank operates branches in Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia.

⁶ Asset data and nationwide deposit ranking data are as of September 30, 2007. Statewide deposit and ranking data are as of June 30, 2007, and reflect merger activity as of that date.

approximately \$19.3 billion, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. In Alabama, RBC Centura would become the fifth largest depository organization, controlling deposits of approximately \$4.5 billion, which represent approximately 6 percent of the total amount of deposits of insured depository institutions in the state (“state deposits”). In Florida, RBC Centura would become the 21st largest depository organization, controlling deposits of approximately \$3.3 billion, which represent less than 1 percent of state deposits. In Georgia, RBC Centura would become the eighth largest depository organization, controlling deposits of approximately \$3.1 billion, which represent approximately 1.7 percent of state deposits.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the bank holding company’s home state if certain conditions are met. For purposes of the BHC Act, the home state of Applicants is North Carolina,⁷ and ANB is located in Alabama, Florida, and Georgia.⁸

Based on a review of all the facts of record, including relevant state statutes, the Board finds that the conditions for an interstate acquisition

⁷ See 12 U.S.C. § 1842(d). A bank holding company’s home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

⁸ For purposes of section 3(d), the Board considers a bank to be located in the states in which the bank is chartered or headquartered or operates a branch. 12 U.S.C. §§ 1841(o)(4)-(7) and 1842(d)(1)(A) and (d)(2)(B).

enumerated in section 3(d) of the BHC Act are met in this case.⁹ In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

The BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant banking market. The BHC Act also prohibits the Board from approving a bank acquisition that would substantially lessen competition in any relevant banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by its probable effect in meeting the convenience and needs of the community to be served.¹⁰

Applicants and ANB have subsidiary depository institutions that compete directly in eight banking markets: Decatur Area, Gulf Shores Area, Huntsville Area, and Mobile Area in Alabama; Brevard County, Orlando Area,

⁹ 12 U.S.C. §§ 1842(d). Applicants are adequately capitalized and adequately managed, as defined by applicable law. All of ANB's subsidiary banks have been in existence and operated for the minimum period of time required by applicable state laws. See Ala. Code § 5-13B-6(d) (five years); Fla. Stat. § 658.295(8)(a) (three years); Ga. Code § 7-1-622(b)(1) (three years). On consummation of the proposal, Applicants would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States and less than 30 percent of the total amount of deposits of insured depository institutions in each of Alabama, Florida, and Georgia. 12 U.S.C. § 1842(d)(2)(A)-(B). On consummation, Applicants also would be in compliance with the deposit caps under relevant state law in Alabama, Florida, and Georgia, each of which is 30 percent. See 12 U.S.C. § 1842(d)(2)(C); Ala. Code § 5-13B-6(b); Fla. Stat. § 658.295(8)(b); Ga. Code § 7-1-622(b)(2). All other requirements of section 3(d) of the BHC Act would be met on consummation of the proposal.

¹⁰ 12 U.S.C. § 1842(c)(1).

and Sarasota Area in Florida; and Atlanta Area in Georgia. The Board has reviewed carefully the competitive effects of the proposal in each of these banking markets in light of all the facts of record and public comment received on the proposal. In particular, the Board has considered the number of competitors that would remain in the banking markets, the relative shares of total deposits in depository institutions (“market deposits”) controlled by Applicants and ANB in the markets,¹¹ the concentration levels of market deposits and the increases in those levels as measured by the Herfindahl-Hirschman Index (“HHI”) under the Department of Justice Merger Guidelines (“DOJ Guidelines”),¹² and other characteristics of the markets.

¹¹ Deposit and market share data are based on data reported by insured depository institutions in the summary of deposits data as of June 30, 2007, adjusted to reflect mergers and acquisitions through January 11, 2008, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See, e.g., Midwest Financial Group*, 75 Federal Reserve Bulletin 386 (1989); *National City Corporation*, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50 percent weighted basis. *See, e.g., First Hawaiian, Inc.*, 77 Federal Reserve Bulletin 52 (1991).

¹² Under the DOJ Guidelines, a market is considered unconcentrated if the post-merger HHI is less than 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI is more than 1800. The Department of Justice (“DOJ”) has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The DOJ has stated that the higher-than-normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial entities.

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the DOJ Guidelines in all eight banking markets.¹³ On consummation of the proposal, six of the banking markets would remain moderately concentrated. The Mobile Area banking market would remain highly concentrated, and the Decatur Area would become highly concentrated, as measured by the HHI, but the changes in the HHIs in each market would be less than 200 points. Moreover, numerous competitors would remain in each of the eight banking markets.

The DOJ has conducted a detailed review of the potential competitive effects of the proposal and has advised the Board that consummation of the transaction would not likely have a significant adverse effect on competition in any relevant banking market. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any of the eight banking markets where Applicants and ANB compete directly or in any other relevant banking market. Accordingly, the Board has determined that competitive considerations are consistent with approval.

Financial, Managerial, and Supervisory Considerations

Section 3 of the BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and depository institutions involved in the proposal and certain other supervisory factors. The Board has carefully considered these factors in light of all the facts of record,

¹³ Those banking markets and the effects of the proposal on the concentration of banking resources therein are described in Appendix A.

including confidential supervisory and examination information from the various U.S. banking supervisors of the institutions involved, publicly reported and other financial information, information provided by Applicants, and public comment received on the proposal.¹⁴ The Board also has consulted with the Office of the Superintendent of Financial Institutions (“OSFI”), the agency with primary responsibility for the supervision and regulation of Canadian banks, including RBC.

In evaluating the financial resources in expansion proposals by banking organizations, the Board reviews the financial condition of the organizations involved on both a parent-only and consolidated basis, as well as the financial condition of the subsidiary insured depository institutions and significant nonbanking operations. In this evaluation, the Board considers a variety of measures, including capital adequacy, asset quality, and earnings performance. In assessing financial resources, the Board consistently has considered capital adequacy to be especially important. The Board also evaluates the financial condition of the combined organization at consummation, including its capital position, asset quality, and earnings prospects, and the impact of the proposed funding of the transaction.

¹⁴ A commenter expressed concern about RBC Centura’s relationships with unaffiliated pawn shops and other nontraditional providers of financial services. As a general matter, the activities of the consumer finance businesses identified by the commenter are permissible, and the businesses are licensed by the states where they operate. RBC Centura has stated that it conducts substantial due diligence reviews of its customers who provide alternative financial services, including reviews of anti-money laundering and Bank Secrecy Act compliance, and that it does not play any role in the lending practices, credit review processes, or other business practices of those firms.

The Board has carefully considered the financial resources of the organizations involved in the proposal. The capital levels of RBC would continue to exceed the minimum levels that would be required under the Basel Capital Accord and are considered to be equivalent to the capital levels that would be required of a U.S. banking organization. In addition, RBC Centura, ANB, and the subsidiary depository institutions involved in the proposal are well capitalized and would remain so on consummation. Based on its review of the record, the Board finds that Applicants have sufficient financial resources to effect the proposal. The proposed transaction is structured as a partial share exchange and partial cash purchase of shares. Applicants will use existing resources to fund the cash purchase of shares.

The Board also has considered the managerial resources of the organizations involved.¹⁵ The Board has reviewed the examination records of Applicants, ANB, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered its supervisory experiences and those of other relevant banking supervisory agencies, including the Office of Comptroller of the Currency and the Federal Deposit Insurance Corporation, with the organizations and their records of compliance with applicable banking law and with anti-money laundering laws. Applicants, ANB, and their subsidiary depository institutions are considered to be well managed. The Board also has

¹⁵ The commenter expressed concern about pending litigation in Canada involving RBC and a Canadian asset management firm that is in receivership. The Board notes that the litigation will be resolved by a Canadian court with jurisdiction to adjudicate such matters.

considered Applicants' plans for implementing the proposal, including the proposed management after consummation.¹⁶

Based on all the facts of record, the Board has concluded that considerations relating to the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval, as are the other supervisory factors.¹⁷

Section 3 of the BHC Act also provides that the Board may not approve an application involving a foreign bank unless the bank is subject to comprehensive supervision or regulation on a consolidated basis by the

¹⁶ The commenter expressed concern that Applicants have exercised control over ANB before the Board's consideration of this application. Commenter cited ANB's notice to some employees that their jobs would be eliminated as a result of the proposed transaction. Applicants have stated that they have taken no action with respect to ANB employees, and the record does not support a finding that Applicants have prematurely attempted to control ANB for purposes of the BHC Act.

¹⁷ Section 3 of the BHC Act also requires the Board to determine that an applicant has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act. 12 U.S.C. § 1842(c)(3)(A). The Board has reviewed the restrictions on disclosure in the relevant jurisdictions in which RBC operates and has communicated with relevant government authorities concerning access to information. In addition, RBC previously has committed that, to the extent not prohibited by applicable law, it will make available to the Board such information on the operations of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the International Banking Act, and other applicable federal laws. RBC also previously has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable its affiliates to make such information available to the Board. In light of these commitments, the Board has concluded that RBC has provided adequate assurances of access to any appropriate information the Board may request.

appropriate authorities in the bank's home country.¹⁸ As noted, the OSFI is the primary supervisor of Canadian banks, including RBC. The Board previously has determined that RBC is subject to comprehensive supervision on a consolidated basis by its home country supervisor.¹⁹ Based on this finding and all the facts of record, the Board has concluded that RBC continues to be subject to comprehensive supervision on a consolidated basis by its home country supervisor.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effects of the proposal on the convenience and needs of the communities to be served and to take into account the records of the relevant insured depository institutions under the Community Reinvestment Act ("CRA").²⁰ The CRA requires the federal financial supervisory agencies to encourage insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation, and requires the appropriate federal financial supervisory agency to take into account a relevant

¹⁸ 12 U.S.C. § 1843(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. See 12 CFR 225.13(a)(4). Regulation K provides that a foreign bank will be considered subject to comprehensive supervision or regulation on a consolidated basis if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the bank, including its relationship with any affiliates, to assess the bank's overall financial condition and its compliance with laws and regulations. See 12 CFR 211.24(c)(1).

¹⁹ See Royal Bank of Canada, 89 Federal Reserve Bulletin 139 (2003); Royal Bank of Canada, 83 Federal Reserve Bulletin 443 (1997).

²⁰ 12 U.S.C. § 2901 et seq.; 12 U.S.C. § 1842(c)(2).

depository institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, in evaluating bank expansionary proposals.²¹

The Board has considered carefully all the facts of record, including evaluations of the CRA performance records of the subsidiary banks of Applicants and ANB, data reported by RBC Centura and ANB under the Home Mortgage Disclosure Act ("HMDA"),²² other information provided by Applicants, confidential supervisory information, and a public comment received on the proposal. The commenter alleged, based on HMDA data reported in 2006, that RBC Centura had engaged in disparate treatment of minority individuals in home mortgage lending.

A. CRA Performance Evaluations

As provided in the CRA, the Board has reviewed the convenience and needs factor in light of the evaluations by the appropriate federal supervisors of the CRA performance records of the relevant insured depository institutions. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor.²³

Centura Bank received a "satisfactory" rating at its most recent CRA performance evaluation by the Federal Reserve Bank of Richmond, as of

²¹ 12 U.S.C. § 2903.

²² 12 U.S.C. § 2801 *et seq.*

²³ See Interagency Questions and Answers Regarding Community Reinvestment, 66 Federal Register 36,620 and 36,639 (2001).

April 17, 2006.²⁴ ANB Lead Bank received a “satisfactory” CRA performance rating by the Federal Reserve Bank of Atlanta, as of May 1, 2006.²⁵ ANB’s other subsidiary banks received ratings of “satisfactory” or “outstanding” at their most recent CRA performance evaluations.²⁶ Applicants have represented that RBC Centura will implement its current CRA program at ANB’s subsidiary banks.

B. HMDA and Fair Lending Record

The Board has carefully considered the fair lending records and HMDA data of RBC Centura in light of the public comment received on the proposal. The commenter alleged, based on HMDA data, that RBC Centura had denied the home mortgage loan applications of African American and Latino borrowers more frequently than those of nonminority applicants. The Board has focused its analysis on the 2006 HMDA data reported by Centura Bank.²⁷

Although the HMDA data might reflect certain disparities in the rates of loan applications, originations, and denials among members of different racial or ethnic groups in certain local areas, they provide an insufficient basis by themselves on which to conclude whether or not RBC Centura is excluding or imposing higher costs on any group on a prohibited basis. The Board recognizes

²⁴ The evaluation period was January 1, 2004, through December 31, 2005, for the lending test and March 24, 2004, through December 31, 2005, for the service and investment tests.

²⁵ The evaluation period was January 1, 2004, through December 31, 2005, for the lending test and January 1, 2004, through May 1, 2006, for the service and investment tests.

²⁶ Appendix B lists the most recent CRA performance ratings of these banks.

²⁷ The Board reviewed HMDA data for Centura Bank’s assessment areas nationwide and in the Charlotte-Gastonia-Concord and the Atlanta-Sandy Springs-Marietta Metropolitan Statistical Areas.

that HMDA data alone, even with the recent addition of pricing information, provide only limited information about the covered loans.²⁸ HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has engaged in illegal lending discrimination.

The Board is nevertheless concerned when HMDA data for an institution indicate disparities in lending and believes that all lending institutions are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound lending but also equal access to credit by creditworthy applicants regardless of their race or ethnicity. Because of the limitations of HMDA data, the Board has considered these data carefully and taken into account other information, including examination reports that provide on-site evaluations of compliance with fair lending laws by RBC Centura and its subsidiaries. The Board also has consulted with the Federal Reserve Bank of Richmond about the fair-lending compliance record of Centura Bank.

The record of this application, including confidential supervisory information, indicates that RBC Centura has taken steps to ensure compliance with fair lending and other consumer protection laws. RBC Centura's compliance program includes statistical data analysis and file reviews to ensure that mortgage

²⁸ The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. In addition, credit history problems, excessive debt levels relative to income, and high loan amounts relative to the value of the real estate collateral (reasons most frequently cited for a credit denial or higher credit cost) are not available from HMDA data.

lending and pricing decisions are not made on a prohibited basis. In addition, RBC Centura provides annual on-line fair lending training to all its employees, supplemented by ongoing in-person fair lending training for mortgage-lending employees. Applicants have stated that RBC Centura will review the fair lending programs of ANB's subsidiary banks and the combined organization after consummation of the proposal, and they will adopt any of ANB's fair lending programs determined to be more effective than RBC Centura's programs.

The Board also has considered the HMDA data in light of other information, including the overall performance records of the subsidiary banks of Applicants and ANB under the CRA. These established efforts and records of performance demonstrate that the institutions are active in helping to meet the credit needs of their entire communities.

C. Conclusion on Convenience and Needs and CRA Performance

The Board has considered carefully all the facts of record, including reports of examination of the CRA records of the institutions involved, information provided by Applicants, comment received on the proposal, and confidential supervisory information. Applicants state that the proposal will result in increased credit availability and access to a broader range of financial services for customers of RBC Centura and ANB. Based on a review of the entire record, and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor and the CRA performance records of the relevant insured depository institutions are consistent with approval of the proposal.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the application should be, and hereby is, approved.²⁹ In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Applicants with the conditions in this order and all the commitments made to the Board in connection with the proposal. For purposes of this transaction, these commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

²⁹ The commenter requested that the Board hold a public meeting or hearing on the proposal. Section 3 of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate supervisory authorities. Under its rules, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 CFR 225.16(e), 262.25(d). The Board has considered carefully the commenter's request in light of all the facts of record. In the Board's view, the commenter had ample opportunity to submit its views and, in fact, submitted written comments that the Board has considered carefully in acting on the proposal. The commenter's request fails to demonstrate why written comments do not present its views adequately or why a meeting or hearing otherwise would be necessary or appropriate. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, the request for a public meeting or hearing on the proposal is denied.

The proposal may not be consummated before the fifteenth calendar day after the effective date of this order, or later than three months after the effective date of this order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond, acting pursuant to delegated authority.

By order of the Board of Governors,³⁰ effective February 5, 2008.

(signed)

Robert deV. Frierson
Deputy Secretary of the Board

³⁰ Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Appendix A

Banking Markets Consistent with Board Precedent and DOJ Guidelines						
Deposit data are as of June 30, 2007, and include mergers as of January 11, 2008. Deposit amounts are unweighted. Rankings, market deposit shares, and HHIs are based on thrift deposits weighted at 50 percent.						
Alabama Banking Markets						
Decatur Area – Morgan County and the portion of the city of Decatur in Limestone County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	6	\$52.1 mil.	3.5	1913	+ 137	11
<i>ANB</i>	2	\$288.8 mil.	19.5			
<i>RBC Centura Post-Consummation</i>	2	\$340.9 mil.	23.0			
Gulf Shores Area – the towns of Elberta, Foley, Gulf Shores, Lillian, Magnolia Springs, and Orange Beach in Baldwin County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	14	0 ¹	0	1704	0	12
<i>ANB</i>	3	\$273.4 mil.	19.3			
<i>RBC Centura Post-Consummation</i>	3	\$273.4 mil.	19.3			

¹ Centura Bank opened a de novo branch in the Gulf Shores Area market on September 9, 2007.

Alabama Banking Markets						
Huntsville Area – Madison County and Limestone County, excluding the town of Ardmore and the city of Decatur.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	7	\$186.5 mil.	3.4	1738	+ 56	21
<i>ANB</i>	5	\$464.9 mil.	8.4			
<i>RBC Centura Post-Consummation</i>	3	\$651.4 mil.	11.8			
Mobile Area – Mobile County and the towns of Bay Minette, Daphne, Fairhope, Loxley, Point Clear, Robertsdale, Silverhill, Spanish Fort, and Summerdale in Baldwin County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	3	\$953.1 mil.	13.1	2040	+ 68	19
<i>ANB</i>	8	\$186.7 mil.	2.6			
<i>RBC Centura Post-Consummation</i>	2	\$1.1 bil.	15.7			
Florida Banking Markets						
Brevard – Brevard County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	14	\$72 mil.	1.0	1461	+ 4	18
<i>ANB</i>	12	\$148.0 mil.	2.1			
<i>RBC Centura Post-Consummation</i>	10	\$220.0 mil.	3.2			

Florida Banking Markets						
Orlando Area – Orange, Osceola, and Seminole Counties; the western half of Volusia County; and the towns of Clermont and Groveland in Lake County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	23	\$156.4 mil.	0.5	1159	+ 2	48
<i>ANB</i>	12	\$476.0 mil.	1.7			
<i>RBC Centura Post-Consummation</i>	11	\$632.4 mil.	2.2			
Sarasota – Manatee and Sarasota Counties, excluding that portion of Sarasota County that is both east of the Myakka River and south of Interstate 75 (currently the towns of Northport and Port Charlotte); the peninsular portion of Charlotte County west of the Myakka River (currently the towns of Englewood, Englewood Beach, New Point Comfort, Grove City, Cape Haze, Rotonda, Rotonda West, and Placida); and Gasparilla Island (the town of Boca Grande) in Lee County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	10	\$392.1 mil.	2.4	1141	+ 1	49
<i>ANB</i>	44	\$12.2 mil.	0.1			
<i>RBC Centura Post-Consummation</i>	9	\$404.3 mil.	2.5			
Georgia Banking Market						
Atlanta – Bartow, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Rockdale, and Walton Counties; Hall County, excluding the town of Clermont; the towns of Auburn and Winder in Barrow County; and the town of Luthersville in Meriwether County.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>RBC Centura Pre-Consummation</i>	8	\$1.9 bil.	1.7	1460	+ 3	135
<i>ANB</i>	13	\$857.9 mil.	0.8			
<i>RBC Centura Post-Consummation</i>	7	\$2.7 bil.	2.5			

Appendix B

CRA Performance Evaluations of ANB's Subsidiary Banks

Subsidiary Bank	CRA Rating	Date	Supervisor
Alabama Exchange Bank, Tuskegee, Alabama	Outstanding	November 2006	Federal Reserve
Community Bank of Naples, National Association, Naples, Florida	Satisfactory	August 2007	FDIC
CypressCoquina Bank, Ormond Beach, Florida	Satisfactory	May 2006	FDIC
First Gulf Bank, National Association, Pensacola, Florida	Satisfactory	January 2004	OCC
Florida Choice Bank, Mount Dora, Florida	Satisfactory	March 2007	FDIC
Georgia State Bank, Mableton, Georgia	Satisfactory	March 2004	FDIC
Indian River National Bank, Vero Beach, Florida	Satisfactory	December 2003	OCC
Millennium Bank, Gainesville, Florida	Satisfactory	May 2007	FDIC
The Peachtree Bank, Duluth, Georgia	Satisfactory	October 2004	Federal Reserve