

PUBLIC DISCLOSURE

October 20, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

AmTrade International Bank of Georgia
06130217

Atlanta, Georgia

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 AmTrade International Bank of Georgia prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of October 20, 1997. 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 the 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.

AmTrade International Bank of Georgia has demonstrated a strong commitment to CRA through its high level of community development loans and community development services. The bank has extended over \$35 million in community development loans. These extensions of credit were in the form of either letters of credit, export-import loans, or lines of credit to small businesses. In addition, the bank has been involved in community development services by participating in various organizations that promote and foster international trade. Some of these services include participating in educational workshops; participating with local chambers of commerce to develop export potential of local companies; attending trade shows to educate and offer services; and implementing business development call programs and partnerships with The Bankers Bank, Atlanta, Georgia, and other local community banks that focus on assisting small businesses.

DESCRIPTION OF INSTITUTION

Effective March 31, 1996, AmTrade International Bank of Georgia (AmTrade) was approved as a limited-purpose institution. A limited-purpose institution is defined as a bank that offers only a narrow product line to a regional or broader market. AmTrade is an international trade finance bank, applying its resources and expertise to serving businesses and financial institutions in the international trade community. Singularly focused, AmTrade serves as a bridge between the leading and emerging trading nations of the world. In the southeastern United States, for example, AmTrade's strong presence provides banks and industries of this region with the tools they need to access growing markets throughout the world. Through full-service banking offices in Miami and Atlanta, and a network of nearly 500 correspondent banks in 85 countries throughout North, South, and Central America, Europe, Asia, Africa, and the Middle East, AmTrade has a truly global reach. It serves its domestic and foreign clients as a clearing house, using this network to link clients throughout the world to each other and to open the doors of trade.

The July 15, 1996 CRA performance evaluation rated the bank as satisfactory.

As of December 31, 1996, AmTrade was 95 percent owned by Broadstreet, Inc., Atlanta, Georgia, a one-bank holding company. AmTrade consists of two operating entities: AmTrade, a commercial bank headquartered in Atlanta, and AmTrade International Bank of Florida (AmTrade-Florida), an agreement corporation with operations in Miami, Florida. The agreement corporation is a wholly owned subsidiary of AmTrade. The primary business of AmTrade-Florida is correspondent banking services associated with trade finance, with a customer base consisting primarily of banks in Central and South America. By law, capital levels at the agreement corporation are limited to 10 percent of consolidated equity capital. Therefore, AmTrade serves as a booking entity for the business generated out of AmTrade-Florida. As a result, over 90 percent of the assets and liabilities generated in Miami are booked in Georgia.

According to the June 30, 1997 Consolidated Reports of Condition and Income (Call Report), the bank had total assets of \$127.0 million. The bank's loan-to-deposit ratio was 234.3 percent as of June 30, 1997, and its average loan-to-deposit ratio based on the four quarter-end ratios since the last examination was 201.2 percent.

DESCRIPTION OF INSTITUTION (CONTINUED)

The bank provides a full range of trade financing and other banking services throughout the world, primarily to private-sector and public-sector banks in Central and South American countries. The bank does not offer traditional retail loans, such as single-family residential loans and consumer loans to individuals. The composition of the loan portfolio according to the June 30, 1997 Call Report was as follows:

LOAN TYPE	PERCENTAGE
Loans to Other Banks in Foreign Countries	63.1%
Loans to U. S. Branches & Agencies of Foreign Banks	1.2%
Loans to Foreign Governments & Official Institutions	1.2%
Commercial and Industrial Loans: To U.S. Addressees	15.2%
To Non-U.S. Addressees	17.8%
Acceptances of Foreign Banks	0.6%
All Other	0.9%
TOTAL	100.0%

As illustrated by the table above, a substantial portion of the bank's loans are with entities located outside the United States. Many of these loans represent short-term trade transactions to finance imports and exports to and from Central and South America. As such, the bank's funding sources and the ultimate collectibility of a portion of its loan portfolio are dependent upon the Central and South American economies, their respective government regulations, and their trade with the United States. Currently, no government regulations restrict repayment of trade financing obligations for the countries in which AmTrade has loans or discounted acceptances outstanding. However, a portion of the bank's loans are guaranteed by U. S. government agencies or collateralized by deposits.

The bank's earnings have been hampered by the high cost of funds and thin lending margins in its market area. A majority of AmTrade's business is generated through AmTrade-Florida. It has been difficult for the bank to generate a stable low-cost source of funding. In addition, statutory limitations do not permit

AmTrade-Florida to accept domestic deposits, and AmTrade lacks a retail presence in the Atlanta market. Bank deposits are derived from both domestic and foreign sources and have short-term maturities. The bank

DESCRIPTION OF INSTITUTION (CONTINUED)

relies heavily on funding from a central bank of a foreign country, Central Bank of Honduras. In an effort to diversify the bank's deposit base, management utilizes the CD Network (a national funding network) as a funding source. CD Network funds come at a premium over local deposits of similar terms. However, because of the bank's structure and its special purpose nature, it does not have access to local deposits. These are structural impediments that limit the bank's involvement in community development loans, investments, and services.

DESCRIPTION OF ASSESSMENT AREA: COBB, DEKALB, FULTON, AND GWINNETT COUNTIES

The bank's assessment area is located in the Atlanta Metropolitan Statistical Area (MSA). Management has defined its assessment area as Cobb, DeKalb, Fulton, and Gwinnett counties in Georgia. However, the bank markets its services in the southeastern region of the United States, with particular emphasis in the states of Georgia (primarily in Atlanta and Dalton), Alabama (primarily in Birmingham and Huntsville), northeast Florida (Jacksonville), and North Carolina (Charlotte). The bank's secondary markets include South Carolina, Tennessee, Mississippi, and Louisiana. The bank does not offer retail services, and management has no current plans to open any branch offices.

The four-county assessment area contains 343 census tracts, with 63 tracts defined as low-income, 58 tracts defined as moderate-income, 109 tracts defined as middle-income, and 113 tracts defined as upper-income. Middle- and upper-income tracts represent 64.7 percent of the total tracts, and 76.3 percent of the total population resides in these tracts. The assessment area does not arbitrarily exclude any low- or moderate-income census tracts.

According to the 1990 Census, the assessment area's population was 1,995,443. The assessment area contained 856,503 housing units, of which 52 percent were owner-occupied, 37.2 percent were rental units, and 10.8 percent were vacant. The median housing age was 19 years, and the median housing value was \$94,962. According to the 1990 Census, the median family income for the assessment area was \$43,463, which was higher than the \$41,047 median family income for the MSA.

DESCRIPTION OF ASSESSMENT AREA (CONTINUED)

According to information reported by the U. S. Bureau of Labor Statistics (BLS), the unemployment rate as of August 1997 was 2.9 percent in Cobb County, 4.3 percent in DeKalb County, 4.3 percent in Fulton County, and 2.7 percent in Gwinnett County. The unemployment rate as of August 1997 for the Atlanta MSA was 3.6 percent and 4.4 percent for the state of Georgia.

According to information obtained from the BLS, the leading industries for 1996 in the Atlanta MSA included services, retail/wholesale trade, and government. Employment data based on 1993 county business patterns from the U. S. Census show 68,610 business establishments in the bank's assessment area. The service and retail industries dominate the employment arena, representing 39 percent and 21 percent of the total number of establishments. Of the 68,610 establishments, 64,072 (93 percent) are establishments with fewer than 50 employees.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

A limited-purpose bank's performance is based on its record of helping to meet the credit needs of its assessment area under the community development test for wholesale or limited-purpose banks. The community development test includes the following: community development lending, qualified investments, and community development services. The bank's CRA performance under the community development test for limited-purpose banks is considered outstanding, especially in light of its structural impediments. The evaluation of the bank's CRA performance included an analysis of the number and volume of community development loans originated by the bank and the types of community development services provided by the bank since the last examination.

The bank's primary business focus is providing trade finance services to exporters, importers, public- and private-sector commercial banks, and central banks. In serving the world trade community, AmTrade works with local financial institutions through mutually supportive correspondent banking relationships. The result is a worldwide network that enables businesses in Asia, Africa, the Middle East, the Caribbean, Latin America, and North America to complete sales and purchases across international borders and to structure foreign exchange contracts to eliminate exchange risk.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Since the July 1996 Consumer Affairs examination, AmTrade originated a total of 450 extensions of credit, totaling \$35.2 million, which qualify as community development loans. These loans were in the form of either letters of credit, export-import loans, or lines of credit to businesses meeting the size eligibility standards of the Small Business Administration (SBA) or having gross annual revenues of less than \$1 million.

The bank has engaged in a number of community development services. These activities center on efforts to help small businesses successfully engage in international trade. Efforts include participation in various organizations that promote and foster international trade, participation in educational workshops, business development call programs, and partnerships with The Bankers Bank and other local community banks that focus on assisting small businesses.

Organizations with which the bank has become involved include the Georgia Export Council, National Association of Credit Managers, Georgia Export Credit Forum, Alabama Export Council (Senior Vice President William Cummins currently serves as chairman), Cobb County and Atlanta chambers of commerce, Alabama and North Alabama world trade associations, U. S. Export Assistance Center-Atlanta, Export-Import Bank of the United States, the SBA, and the U. S. Department of Commerce - U. S. and Foreign Commercial Service.

AmTrade participates in educational programs targeting small businesses involved in international trade. Recent educational workshops include the following:

ORGANIZATION	SERVICE PROVIDED
U. S. Department of Commerce, Birmingham, Alabama	Presenter. Export Regulations Seminar. Attended by at least 70 companies (February 1997)
AmTrade@Exposition	Exhibitor. Purpose was to inform the Atlanta market of the international trade services available in the community. (February 1997)
International Trade Advisory Council of the Alabama Development Organization	Meeting (March 1997)
AmTrade@Building on NAFTA@Seminar	Co-Sponsor. Seminar discussing Strategies for Economic Growth in the U. S. Southeast. (May 1997)
Bankers Bank Seminar: South Carolina (May 1997) Birmingham (June 1997) Florida (June 1997) Georgia (July 1997)	Presenter. Attended by community bankers. Discussions focused on assisting small businesses.

LSU Banking School	Presenter. Seminar on export finance. Attended by at least 78 small business commercial lenders. (May 1997)
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CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Other community development services include classroom instructional training. Bank officers taught courses on letters of credit at the American Institute for Banking, Atlanta, Georgia, in November 1996, March 1997, and April 1997. Also, bank officers taught an international finance course at Keller Graduate School of Business, Atlanta, Georgia, from February through April 1997.

Furthermore, management routinely calls on small businesses throughout the southeast. Notable calls are documented in a call report log. Between 15 to 20 calls are completed by management each month. Management also works with The Bankers Bank and community banks across the southeast in providing international banking services; frequently, the beneficiaries of these services are small business customers of these community banks.

The vast majority of banks in the United States are community banks with limited ability to deliver international services. AmTrade fulfills a need by providing the capabilities of a full-scale international department to its domestic correspondent banks and their clients. Unlike regional and super-regional banks, which compete with community banks, AmTrade works in partnership with its domestic correspondents to serve their clients. AmTrade's services include letters of credit, international wires, foreign exchange, overline participations, and consulting services. Since the July 1996 Consumer Affairs examination, the bank has provided bankers' acceptances directly to other lenders for the benefit of their small business customers. The total dollar amount of credit facilities granted to these lenders was \$2 million.

No credit practices inconsistent with the substantive provisions of the antidiscrimination laws and regulations were identified.

APPENDIX A

SCOPE OF EXAMINATION

The scope of the examination included an analysis of the number and volume of community development loans originated and the types of community development services provided since the last examination. Specific credit products reviewed included the bank's letters of credit and lines of credit to small businesses. The bank serves the entire southeastern region of the United States; however, its assessment area is defined as Cobb, DeKalb, Fulton, and Gwinnett counties in Georgia. The review covered all community development credit facilities granted since the last examination.

TIME PERIOD REVIEWED: July 1996 to July 1997

FINANCIAL INSTITUTION	PRODUCTS REVIEWED
AmTrade International Bank of Georgia	Export-import loans to small businesses
	Letters of credit for small businesses

AFFILIATE	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
AmTrade International Bank of Florida	Wholly owned subsidiary	None

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION

ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED
Cobb, DeKalb, Fulton, and Gwinnett Counties	On-site	Main office

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C PLACE A COPY OF THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR MAIN OFFICE NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST. (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING, IF APPLICABLE.)

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS OCTOBER 20, 1997, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

AMTRADE INTERNATIONAL BANK OF GEORGIA

(Name of Bank)

ATLANTA, GEORGIA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
AmTrade International Bank of Georgia
127 Peachtree Street, N.E.
Candler Building, Suite 1500
Atlanta, Georgia 30303-1811

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Kimberly Sims using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C Place a copy of the evaluation in your CRA public file located at your main office no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request. (You are permitted to charge a fee not to exceed the cost of reproduction and mailing, if applicable.)

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning the performance evaluation or any other compliance matter, contact Ms. Joan Harroff at (404) 589-7345.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Ms. Patricia Hartje
Regional Compliance Manager
Office of the Comptroller of the Currency
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303

Dear Ms. Hartje:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for AmTrade International Bank of Georgia, Atlanta, Georgia, as of October 20, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Mr. Joel Palmer
Assistant Director II
Regional Operations - Compliance
Office of Thrift Supervision
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Mr. Palmer:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for AmTrade International Bank of Georgia, Atlanta, Georgia, as of October 20, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Mr. Jimmy Loyless
Regional Director
Federal Deposit Insurance Corporation
One Atlantic Center, Suite 1600
1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3449

Dear Mr. Loyless:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for AmTrade International Bank of Georgia, Atlanta, Georgia, as of October 20, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Bank: AMTRADE INTERNATIONAL BANK OF GEORGIA

City and State: ATLANTA, GEORGIA

Date of Examination: OCTOBER 20, 1997

FEDERAL RESERVE BANK OF ATLANTA