

# **PUBLIC DISCLOSURE**

May 21, 2001

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**RSSD #541101**

**THE BANK OF NEW YORK  
One Wall Street  
New York, New York 10286**

**FEDERAL RESERVE BANK OF NEW YORK**

**33 LIBERTY STREET  
NEW YORK, NEW YORK 10045**

**NOTE:** This document is an evaluation of this 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. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this 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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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** The Bank of New York is rated "SATISFACTORY;" however, the level of CRA performance, although somewhat improved from the previous examination, is in the low range of a satisfactory rating.

The following table indicates the performance levels of The Bank of New York ("BNY") with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	BANK OF NEW YORK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			

Major factors supporting the institution's rating include:

- The number of home purchase, refinance and small business loans originated by the bank and its mortgage affiliate, although modestly improved since the previous examination, showed poor responsiveness to the credit needs in the bank's assessment areas based on the bank's size, market presence and financial capacity.
- The overall geographic distribution of Home Mortgage Disclosure Act ("HMDA") and small business loans reflected adequate penetration throughout the assessment areas.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- The level of community development loans and qualified investments was excellent.
- Service delivery systems are accessible to limited portions of the bank's assessment area.

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\* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

The Bank of New York ("BNY") is the principal subsidiary of The Bank of New York Company, Inc. ("BNY Co."), a New York State-based bank holding company. As a full-service commercial bank headquartered in New York, New York, BNY reported \$74 billion in assets as of December 31, 2000. Ranked by total assets, BNY is the 17<sup>th</sup> largest bank or thrift institution in the U.S. and the 5<sup>th</sup> largest bank based in the New York City metropolitan area.

BNY provides financial services to corporations and individuals. The bank's business lines include: (1) securities servicing and cash processing to both institutional issuers and investors; (2) trust, investment management and private banking; (3) corporate banking, providing lending services to domestic and international commercial enterprises; (4) retail banking, including consumer lending, residential mortgage lending, and retail deposit services offered by BNY and its affiliate BNY Mortgage Company, Inc., and (5) financial market services, including trading, investing and leasing activities, and treasury services.

Net loans and leases of \$36 billion represent 49 percent of the bank's assets. As of December 31, 2000, BNY's deposits totaled \$56 billion, consisting of domestic deposits and foreign deposits of \$28 billion each. There are no financial or legal factors that would prevent BNY from fulfilling its responsibilities under the CRA.

Based on data supplied by the Federal Deposit Insurance Corporation ("FDIC") for FDIC-insured institutions operating in each state as of June 30, 2000, BNY has a significant market share of the domestic deposits in New York and New Jersey. Ranked by total domestic deposits in New York State, BNY is the fourth largest bank with a 5.7 percent deposit share. Ranked by total domestic deposits in New Jersey, BNY is the 11<sup>th</sup> largest bank with a 1.9 percent deposit share. The bank's domestic deposit share is less significant in the state of Connecticut. In terms of total domestic deposits in Connecticut, BNY is ranked 20<sup>th</sup> with less than 1 percent deposit share.

The bank's domestic deposits are obtained through a sizable branch network of 351 domestic branch offices across 25 counties in the New York City metropolitan area. BNY operates 246 branches in southern New York State, 97 branches in northern New Jersey, and 8 branches in southern Connecticut. BNY has the third largest retail branch network in New York State, and the sixth largest retail branch network in New Jersey.

Effective January 4, 1999, the bank entered into a joint venture with a Florida-based mortgage company. The joint venture provides financing for one- to four-family residential properties, condominiums and cooperative apartments and reports HMDA-related loans under the name BNY Mortgage Company, LLC.

BNY's last CRA examination was dated April 5, 1999, at which time the bank received a "satisfactory" rating.

BNY has two assessment areas. The CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) assessment area is the largest and includes portions of New York, New Jersey and Connecticut. The New York State assessment area includes portions of Sullivan and Ulster Counties, which are not part of the CMSA assessment area.

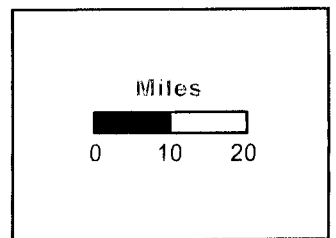
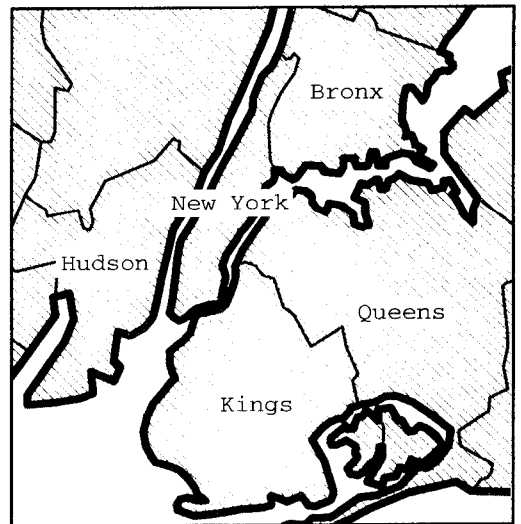
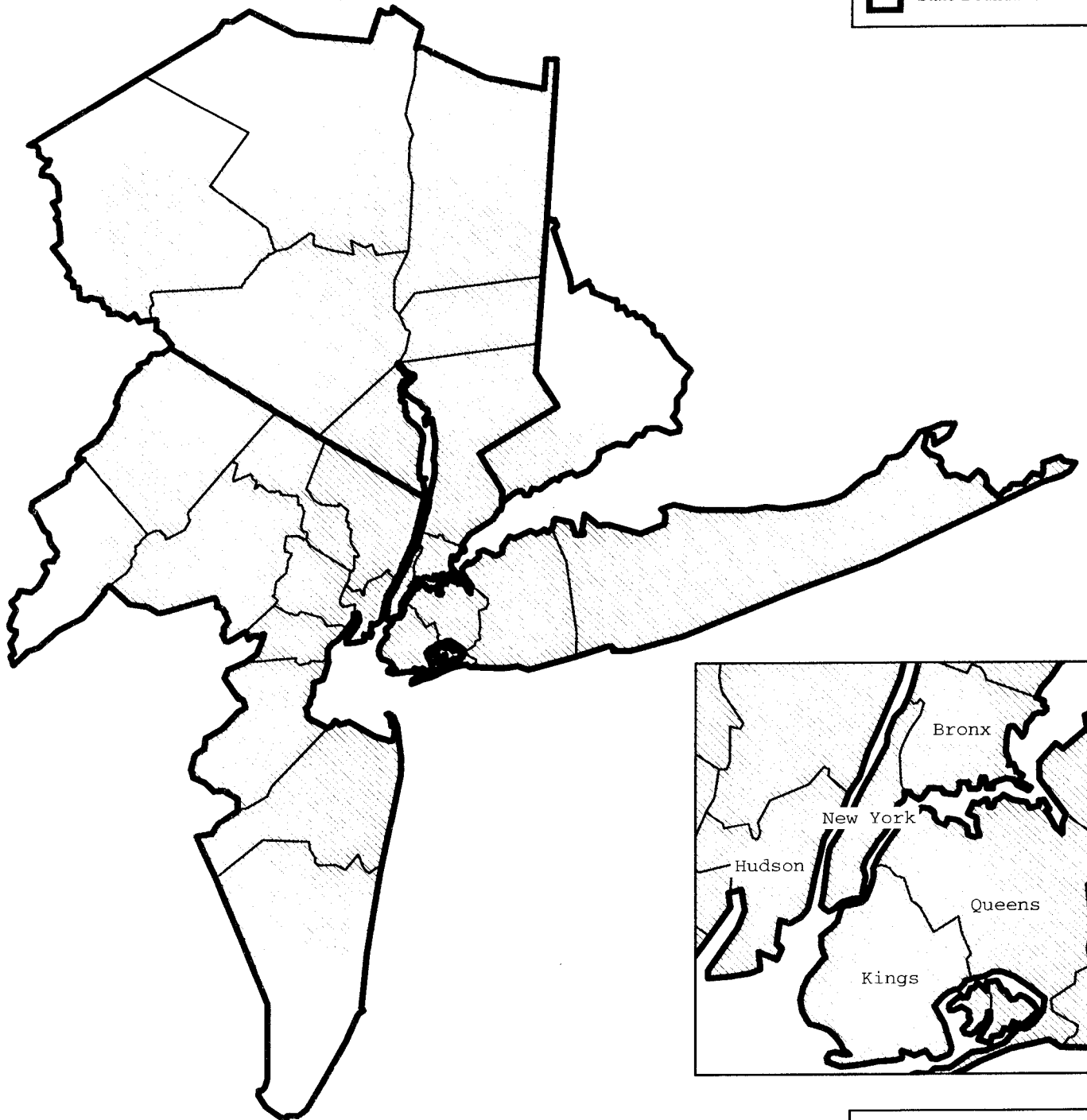
The bank's assessment areas have not changed since the previous examination, and they are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude low- and moderate-income ("LMI") geographies.

The following map illustrates BNY's assessment areas.

**Bank of New York**  
**Connecticut, New Jersey & New York**  
**Assessment Area Map 1999-2000**

**Legend**

- Counties
- ▨ Assessment Area
- ▣ State Boundaries



## SCOPE OF EXAMINATION

A full review of BNY's performance was conducted for the bank's assessment areas using the Federal Financial Institutions Examination Council's *Interagency Procedures and Guidelines for Large Retail Institutions*. Performance was evaluated in the Multistate CMSA 5602, which includes portions of the states of New York, New Jersey and Connecticut. Performance was also evaluated in two non-MSA assessment areas located in New York State.

HMDA-related loans, small business loans, community development loans and qualified investments were analyzed for the period of January 1, 1999, through December 31, 2000, with greater emphasis placed on the bank's performance in 2000. The calendar year 2000 is emphasized because the Public Evaluation for the previous CRA examination was not issued until November of 1999, which did not give the bank ample time to address deficiencies in 1999.

Lending products analyzed include home purchase loans and refinancings of such loans ("refinancings"), and small business loans originated or purchased by BNY or BNY Mortgage Company, LLC. Purchased loans amounted to 14.5 percent of the bank's total HMDA-related loan volume. Due to low volumes, home improvement and multifamily loans were not included in the loan analysis.

Also included in the evaluation was BNY Aurora Holding Corporation, a non-bank subsidiary of BNY that invests in low-income rental housing development and rehabilitation through low-income housing tax credits ("LIHTCs").

For the evaluation of the geographic distribution of loans, geographies were classified on the basis of the Census Bureau's 1990 Census. The distribution of loans to borrowers of different income levels was determined based on HUD estimated median family income data for 1999 and 2000 as applicable.

HMDA-related and small business lending performance was compared with the 1999 aggregate data of all HMDA and small business lenders in BNY's assessment areas. The 1999 aggregate data was the latest available data during the examination period. In addition, commercial lending, investments, grants and services were evaluated as to whether they qualified as community development activity.

BNY's performance in the four major PMSAs located in CMSA 5602 significantly influenced overall conclusions regarding the CRA rating. A significant portion of the bank's demographics and business presence is located in PMSA 5600 (New York, NY), PMSA 5380 (Nassau-Suffolk, NY), PMSA 5640 (Newark, NJ) and PMSA 0875 (Bergen-Passaic, NJ). The four PMSAs contain 81 percent of the population, 86 percent of LMI families, 81 percent of the bank's retail

branch network, and 92 percent of the retail branch deposits. At this examination these PMSAs represent 81 percent of HMDA-related loan activity and 82 percent of small business loan originations.

For this examination, examiners made use of information from 11 community contacts. Five community contacts were made during this examination, while six others were obtained during other examinations recently conducted in the bank's assessment areas. Six contacts were interviewed in New York, three in New Jersey and two in Connecticut. The contacts consisted of six community development corporations, four affordable housing organizations and one small business organization.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

BNY's record of meeting the credit needs of its assessment areas through its lending activities is rated "low satisfactory." Retail lending volume, while modestly improved since the previous examination, continued to show poor responsiveness to the credit needs of the bank's assessment areas and needs additional improvement. Geographic distribution of lending reflected adequate overall penetration, while the overall distribution of loans among individuals of different income levels and businesses of different sizes was good. Community development lending activity was outstanding.

The data used to evaluate the bank's performance in its assessment areas is contained in CRA Appendix D starting on page BB37. This appendix has two sets of tables: one for the CMSA assessment area and the other for the non-MSA assessment area. In each set of tables, lending activity is shown in Table 1, geographic distribution of lending is shown in Tables 2 through 6, and borrower characteristics are shown in Tables 7 through 10. Community development loans are shown in Core Tables 1 on pages BB37 and BB49.

**Lending Activity:** BNY's lending activity improved somewhat from the levels of the previous examination, but activity continued to show poor responsiveness to retail credit needs in the bank's assessment areas when measured in terms of the number and dollar amount of HMDA-related and small business loans originated or purchased. The summary of lending activity follows:



EXHIBIT 1

## Summary of Lending Activity

Bank of New York and Affiliates

January 1, 1999 – December 31, 2000

Loan Type	#	%	\$(000's)	%
HMDA home purchase	6,414	33	\$893,264	45
HMDA refinancings	1,510	8	252,733	13
HMDA home improvement	377	2	3,192	0
HMDA multifamily	44	0	55,440	3
<b>Total HMDA-related</b>	<b>8,345</b>	<b>43</b>	<b>1,204,629</b>	<b>61</b>
<b>Total small business</b>	<b>10,869</b>	<b>57</b>	<b>759,146</b>	<b>39</b>
<b>TOTAL LOANS</b>	<b>19,214</b>	<b>100</b>	<b>\$1,963,775</b>	<b>100</b>

**Note:** Affiliate loans include only loans originated or purchased within the bank's assessment areas.

When compared with 1998 volumes, HMDA-related lending decreased 11 percent in 1999 and increased 4 percent in 2000. The decline in 1999 reflects rising interest rates that affected all lenders. The high interest rates carried over into the first part of 2000 and thus had an impact on HMDA-related activity in that calendar year as well. The bank's HMDA-related loan volume in 2000 included the purchase of 1,211 loans from non-affiliate third parties.

Small business lending in 1999 increased 16 percent from 1998 levels, while in 2000 the bank's small business volume increased 120 percent over 1998. The increase in small business lending was the direct result of a promotion by the bank that led to 3,266 automatic credit line increases to existing customers. Although the promotion allowed the bank to report a substantial number of small business loan originations, the promotion was not particularly responsive to community credit needs. Without the special credit line increases to existing customers, the bank's small business lending in 2000 grew a nominal 3 percent from 1998 lending volumes.

Since the previous CRA evaluation, BNY management has instituted several initiatives to increase lending activity. These initiatives were launched later in the examination period so the impact on the bank's performance at this examination was not significant. Internal management reports indicate that activity in these programs continues to grow in 2001, and the impact may be seen at the next examination. For example, the bank has implemented a wholesale mortgage program using brokers to attract new mortgage customers. The bank has also doubled the number of small business specialists and added 14 Business Banking Centers to its existing branch system.

**Assessment Area Concentration:** A substantial portion of the bank's loan originations was made within its assessment areas. Specifically, 99 percent of the origination total and 94 percent of the dollar amount were generated in the assessment areas, as detailed in the following exhibit.

EXHIBIT 2								
<b>Lending Inside And Outside The Assessment Area</b>								
January 1, 1999 – December 31, 2000								
	Inside				Outside			
	#	%	\$ (000's)	%	#	%	\$ (000's)	%
Home purchase	1,242	97	239,186	88	45	3	31,245	1
Refinancing	386	93	109,200	83	30	7	22,262	1
Home improvement	129	97	1,529	94	4	3	100	6
Multifamily	44	92	55,440	85	4	8	9,561	1
<b>Total HMDA-related</b>	<b>1,801</b>	<b>96</b>	<b>405,355</b>	<b>87</b>	<b>83</b>	<b>4</b>	<b>63,168</b>	<b>1</b>
<b>Total small business</b>	<b>10,869</b>	<b>99</b>	<b>759,146</b>	<b>99</b>	<b>107</b>	<b>1</b>	<b>7,804</b>	<b>1</b>
<b>TOTAL LOANS</b>	<b>12,670</b>	<b>99</b>	<b>\$1,164,50</b>	<b>94</b>	<b>190</b>	<b>1</b>	<b>\$70,972</b>	<b>6</b>

**Note:** This exhibit includes only loans originated or purchased by the bank.

**Geographic Distribution of Lending and Borrower Characteristics:** Overall, the geographic distribution of loans across census tract income levels was adequate. Although the bank's HMDA-related performance was excellent, the rating was primarily driven by the bank's poor small business lending performance in the LMI geographies of two of the primary PMSAs in the CMSA assessment area, PMSA 5600 (New York, NY) and PMSA 5640 (Newark, NJ). Both PMSAs were identified in the previous examination as displaying weak distribution of small business loans.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. The HMDA-related loan performance takes into account the disproportionately high housing prices in comparison with income levels, making homeownership very difficult for LMI borrowers.

**Community Development Lending:** The bank had an excellent level of community development lending. Overall, community development loans totaled \$347.8 million, with \$345.1 million in CMSA 5602 and \$2.7 million in the New York State non-MSAs. Of the dollar total, 43 percent or \$151 million was in support of affordable housing initiatives, which has been identified by community contacts as the primary need in the assessment areas. BNY also committed an additional \$15.5 million in community development letters of credit during the examination period. Many of the community development loans were complex in nature, requiring coordination with multiple governmental agencies.

## **INVESTMENT TEST**

BNY's performance under the investment test is rated "outstanding." The bank had a significant level of qualified investments totaling \$138.5 million. Qualified investments initiated during the examination period represented \$73.9 million or 53.4 percent of the total. The bank's investments demonstrated a high level of responsiveness and made good use of complex instruments in addressing community credit needs.

BNY's investments were made primarily in CMSA 5602, and two of those investments (\$4.4 million) also benefited the New York State assessment area. For details, see Core Tables 11 on pages BB47 and BB52.

## **SERVICE TEST**

BNY's service test performance is rated "low satisfactory." The bank's delivery systems for providing credit and non-credit retail services are accessible to limited portions of the bank's assessment areas. The bank's business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank's record of opening and closing branches has not affected the bank's accessibility to customers.

BNY provided a good level of community development services during the examination period throughout its assessment areas, which was a significant improvement from the previous examination. For details, see Core Tables 12 on pages BB48 and BB52.

## **COMPLIANCE WITH ANTI-DISCRIMINATION LAWS**

No credit practices that violated the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B) and the Fair Housing Act, were identified that would have an impact on BNY's CRA rating.

## MULTISTATE CMSA 5602 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA)

**CRA RATING FOR CMSA 5602\*:** *SATISFACTORY*

*The lending test is rated: Low satisfactory*

*The investment test is rated: Outstanding*

*The service test is rated: Low satisfactory*

Major factors supporting the CMSA rating include:

- Although somewhat improved since the previous examination, the volume of the bank's HMDA-related and small business loans originated or purchased showed poor responsiveness to the credit needs in the CMSA.
- The overall geographic distribution of HMDA-related and small business loans reflected adequate penetration throughout the CMSA. Small business lending was particularly weak in PMSA 5600 (New York, NY) and PMSA 5640 (Newark, NJ).
- The distribution of loans among borrowers of different income levels and businesses of different sizes in the CMSA was good.
- The level of community development loans and qualified investments in the CMSA was excellent.
- Service delivery systems are accessible to limited portions of the bank's assessment area, particularly in the Bronx and Brooklyn in New York, and Union County in New Jersey.

### SCOPE OF EXAMINATION

A full review of BNY's performance in CMSA 5602 was conducted. Within the CMSA, performance in PMSA 5600 (New York, NY) was given particular emphasis since it represents 48 percent of the population, 60 percent of families in LMI tracts, 74 percent of branch deposits, and 35 percent of the retail branches. At this examination, PMSA 5600 (New York, NY) had 48 percent of home purchase loans, 32 percent of refinancings, and 43 percent of small business loans in the CMSA.

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\* This rating reflects performance within the multistate metropolitan area. The New York State evaluation is adjusted and does not reflect performance in the PMSAs of the state contained within the multistate consolidated metropolitan statistical area ("CMSA").

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 5602

The CMSA 5602 assessment area is large, consisting of portions of three states, as follows:

### New York

- PMSA 5600 (New York, NY), consisting of Bronx, Kings, Queens, New York, Putnam, Rockland and Westchester Counties.
- PMSA 5380 (Nassau-Suffolk, NY), consisting of Nassau and Suffolk Counties.
- PMSA 5660 (Newburgh, NY-PA), consisting of Orange County.
- PMSA 2281 (Dutchess County, NY), consisting of Dutchess County.

### New Jersey

- PMSA 5640 (Newark, NJ), consisting of Essex, Union, Morris and Sussex Counties, and northeastern portions of Warren County.
- PMSA 0875 (Bergen-Passaic, NJ), consisting of Bergen and Passaic Counties.
- PMSA 5190 (Monmouth-Ocean, NJ), consisting of Monmouth County and northern portions of Ocean County. Ocean County includes the municipalities of Bay Head, Beachwood, Berkley, Brick, Dover, Island Heights, Jackson, Lakehurst, Lakewood, Lavallette, Manchester, Ocean Gate, Pine Beach, Plumsted, Point Pleasant, Seaside and Seaside Heights.
- PMSA 5015 (Middlesex-Somerset-Hunterdon, NJ), consisting of Middlesex County.
- PMSA 3640 (Jersey City, NJ), consisting of Hudson County.

### Connecticut

- PMSA 8040 (Stamford-Norwalk, CT), consisting of southwestern portions of Fairfield County including the municipalities of Greenwich and Stamford.
- PMSA 1160 (Bridgeport, CT), consisting of southern portions of Fairfield County including the city of Fairfield.

As of December 31, 2000, BNY operated a network of 346 branches and 233 automatic teller machines ("ATMs") in the CMSA. The branches located in CMSA 5602 accounted for \$28.6 billion in deposits or 99.6 percent of the bank's total branch deposits as of June 30, 2000.

BNY's performance in the CMSA was evaluated in terms of the business and demographic context in which the bank operates. The CMSA is a very competitive financial marketplace where many non-financial institution lenders compete with local, multistate and multinational banks. BNY's primary competitors include Chase Manhattan Bank ("Chase"), Fleet Bank and HSBC Bank.

Based on deposits reported to the FDIC on June 30, 2000, BNY's branch deposits represented 6 percent of all bank branch deposits in the CMSA. For 1999 BNY had 1.5 percent of all reported small business loans and .7 percent of reported HMDA-related loans in the CMSA. American Express Centurion Bank and Capital One, FSB, dominate the small business loan market. Together, they represented 48 percent of all reported small business loans in 1999. Of financial institution lenders, Chase was the market leader with 14 percent of reported small business loans. HMDA market leaders include Chase (7.5 percent), Fleet (4.8 percent) and Norwest Mortgage (4.5 percent).

Demographic and economic information also impacts the bank's performance context and is discussed below. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census (1990), the U.S. Department of Labor, the U.S. Department of Housing and Urban Development ("HUD"), and the New York State Department of Labor. For detailed statistics about the assessment area, see Exhibit 3 on page BB19.

## **PERFORMANCE CONTEXT**

### *Demographic Characteristics*

According to the 1990 Census, the assessment area portion of CMSA 5602 has a population of 17 million, with 68 percent in the New York portion of the CMSA, 31 percent in the New Jersey portion, and the remaining 1 percent of the population in the Connecticut portion. PMSA 5600 (New York, NY) and PMSA 5380 (Nassau-Suffolk, NY) together have 64 percent of the population of the CMSA, while PMSA 5640 (Newark, NJ) and PMSA 0875 (Bergen-Passaic, NJ) have 19 percent of the population of the CMSA 5602 assessment area.

### *Income Characteristics*

The 1990 median family income for CMSA 5602 is \$45,058, higher than the median family income of \$36,865 for PMSA 5600 (New York, NY), but lower than the other significant PMSAs that make up this geography. Based on the 1990 Census, of the 4,530 census tracts considered for the analysis, 1,230 or 27 percent are LMI. PMSA 5600 (New York, NY) contains 748 or 61 percent of the LMI tracts.

### Housing Characteristics

According to the 1990 Census, the CMSA contains 6.6 million housing units, of which 46 percent are owner-occupied. In LMI census tracts, 12.6 percent of the housing units are owner-occupied. The median housing value of \$188 thousand is higher than the New York State median of \$130 thousand, as well as the New Jersey median housing value of \$161 thousand and the Connecticut median of \$177 thousand.

The economy remained strong throughout the CMSA during the review period. Building permits in New York and New Jersey totaled 77,676 in 2000, a 5.4 percent increase over 1999. The National Association of Realtors reported that sales of existing single-family homes in New York State for 2000 were almost unchanged from 1999 levels. In the New York City and Nassau-Suffolk areas, the median sales prices for the year increased by double digits. In New Jersey, home resales for 2000 declined 2 percent from 1999, and median sales prices in the northern New Jersey market were up 10 to 15 percent over 1999.

The strong economy has increased the already high costs of homeownership as home prices rise in response to strong demand. Housing in most of the CMSA continues to be unaffordable to most low-income individuals without subsidies from state, local or federal governments or without assistance from private industry and community development organizations.

### Labor, Employment and Economic Characteristics

During the examination period, the New York City economy continued to rebound from a sharp economic downturn that occurred between 1989 and 1992. As a result, the urban counties in New Jersey and Connecticut in close proximity to the city benefit from its strong economy. The private-sector expansion is broad-based with every sector except manufacturing adding jobs. The primary job generators are services, wholesale/retail trade, and finance/insurance/real estate. A strong local economy and a booming financial industry have contributed to the retail and services sector growth. The wealth created by Wall Street has generated strong tax revenues, raised home prices, attracted high-end retailers, and led to a marked improvement in the commercial real estate market. This has had a ripple effect throughout the New Jersey and Connecticut counties in CMSA 5602.

Lending, investment and service opportunities are widely available in BNY's assessment areas. According to community contacts interviewed as part of this examination, affordable owner-occupied housing and rental housing remain significant credit needs throughout the assessment areas. Increasing interest rates in 1999 had a negative impact on the refinance market throughout the assessment area.

In December 2000, the New York State unemployment rate was 4.5 percent, lower than the 4.8 percent recorded the year before, and the New Jersey unemployment rate was 3.8 percent,

lower than the prior year's 4.3 percent. Also in December 2000, the unemployment rate for Connecticut was 2 percent, significantly lower than the previous year's 2.8 percent.

### **PMSA 5600 (NEW YORK, NY)**

According to the 1990 Census, this PMSA is the largest in BNY's assessment areas. Its population of 8.2 million is 48.6 percent of the population of CMSA 5602. The New York City population accounts for 85 percent of the PMSA population.

#### *Income Characteristics*

The 1990 median family income for PMSA 5600 (New York, NY) is \$36,865, significantly lower than the median family income of \$45,058 for CMSA 5602 and the other primary PMSAs. The three suburban counties (Putnam, Rockland and Westchester) have higher median family incomes than the New York City counties. The average 1990 median family income for the four counties in New York City is \$33,192, while the average for the three suburban counties is \$59,489. The HUD-adjusted median family incomes for the PMSA for 1999 and 2000 are \$53,400 and \$56,200, respectively.

Based on the 1990 Census, of the 2,396 census tracts considered for the analysis, 748 or 31 percent are LMI. The 1990 Census also indicates that 40.8 percent of the families residing in the PMSA are upper-income, 18.3 percent are middle-income, 15.4 percent are moderate-income, and 25.6 percent are low-income.

#### *Housing Characteristics*

According to the 1990 Census, the PMSA contains 3.3 million housing units, of which 30 percent are owner-occupied. The PMSA housing units account for 50 percent of the CMSA housing units and 33 percent of CMSA owner-occupied housing units. In LMI census tracts, 10 percent of the housing units are owner-occupied.

The 1990 Census also puts the PMSA's median housing value at \$212 thousand, which is higher than the CMSA 5602 median of \$188 thousand. Furthermore, Bronx County has the lowest median housing value with \$173 thousand, and New York County has the highest median housing value with \$471 thousand. According to the New York State Association of Realtors, average sales prices in 2000 for single-family homes in New York County are \$754 thousand; Queens, \$235 thousand; Kings, \$230 thousand; and Bronx County, \$217 thousand.

#### *Labor, Employment and Economic Characteristics*

The growth in private sector jobs has been steady, accelerating in the 12-month period ended December 2000 with 90 thousand new jobs for a 2.4 percent gain. Financial prosperity has generated strong tax revenues, raised home prices, attracted high-end retailers, and led to a



marked improvement in the commercial real estate market. Despite the increases in job opportunities, New York City still has comparatively high unemployment. Although the city's jobless rate dropped from 5.6 percent in December 1999 to 5.2 percent in December 2000, it still remains high compared with 4.2 percent for New York State.

The Hudson Valley region including Putnam, Rockland and Westchester Counties has a concentration of manufacturing jobs. Employment in research and development-intensive industries continues to shift toward service industries and high-tech occupations involved in the production of services. The region has one of the lowest unemployment rates in New York State.

### **PMSA 5380 (NASSAU-SUFFOLK, NY)**

This PMSA is the second largest in BNY's assessment areas, with a population of 2.6 million, or 15.5 percent of the population of CMSA 5602.

#### *Income Characteristics*

The 1990 median family income for PMSA 5380 (Nassau-Suffolk, NY) is \$56,726, the highest among all the PMSAs in New York and New Jersey and significantly higher than the median family income of \$45,058 for CMSA 5602. Nassau County has a higher 1990 median family income with \$60,619 compared with \$53,247 for Suffolk County. The HUD-adjusted median family incomes for the PMSA for 1999 and 2000 are \$73,300 and \$76,500, respectively.

Based on the 1990 Census, of the 582 census tracts considered for the analysis, 82 or 14 percent are LMI. The 1990 Census also indicates that 38.1 percent of the families residing in the PMSA are upper-income, 26.3 percent are middle-income, 19.3 percent are moderate-income, and 16.4 percent are low-income.

#### *Housing Characteristics*

According to the 1990 Census, the PMSA contains 928 thousand housing units, of which 74 percent are owner-occupied. The PMSA housing units account for 14 percent of the CMSA housing units and 23 percent of the CMSA owner-occupied housing units. In LMI census tracts, 54 percent of the housing units are owner-occupied.

The PMSA median housing value of \$186 thousand is about the same as the CMSA 5602 median housing value of \$188 thousand, according to the 1990 Census. Nassau County has the higher median housing value with \$209 thousand compared with \$165 thousand for Suffolk County. The New York State Association of Realtors estimated that the average sales price in 2000 for single-family homes in Nassau County is \$297 thousand, and in Suffolk County, \$214 thousand.

Labor, Employment and Economic Characteristics

Nassau County, initially a bedroom community with strong economic ties to New York City, has evolved over the last 50 years into a densely developed suburban and urban county with a strong economic base. During 2000, Long Island experienced positive job growth in the private sector. From December 1999 to December 2000, the private sector job count rose by 32 thousand. By December 2000, the unemployment rate was at a low of 2.6 percent, down from the prior year's 2.9 percent.

**PMSA 5640 (NEWARK, NJ)**

The assessment area portion of the PMSA has a population of 1.8 million, which is 11 percent of the population of CMSA 5602. Essex County's population accounts for 42 percent of the PMSA population.

Income Characteristics

The 1990 median family income for PMSA 5640 (Newark, NJ) is \$50,321, higher than \$45,058 for CMSA 5602. Essex County has the lowest 1990 median family income with \$42,151, and Sussex County has the highest with \$66,474. The HUD-adjusted median family incomes for the PMSA in 1999 and 2000 are \$67,900 and \$70,600, respectively.

Based on the 1990 Census, of the 464 census tracts considered for the analysis, 166 or 36 percent are LMI. The 1990 Census also indicates that 39 percent of the families residing in the PMSA are upper-income, 23.3 percent are middle-income, 17.6 percent are moderate-income, and 20.1 percent are low-income.

Housing Characteristics

According to the 1990 Census, the PMSA contains 702 thousand housing units, of which 56 percent are owner-occupied. The PMSA housing units account for 11 percent of the CMSA housing units and 13 percent of the CMSA owner-occupied housing units. In LMI census tracts, 24 percent of the housing units are owner-occupied.

The PMSA median housing value of \$190 thousand approximates the CMSA 5602 median of \$188 thousand. Warren County has the lowest median housing value with \$159 thousand, and Morris County has the highest with \$216 thousand, according to the 1990 Census. The New Jersey Association of Realtors reports that the average sales price of single-family homes in 2000 range from a high of \$324 thousand in Morris County to a low of \$173 thousand in Sussex County. Essex and Union Counties are comparable at \$233 thousand and \$228 thousand, respectively, while the average home sales price in Warren County is \$184 thousand.

Labor, Employment and Economic Characteristics

In December 2000, the unemployment rate for the PMSA was 3.3 percent, slightly lower than the state unemployment rate of 3.5 percent. From January 1, 1999, to December 31, 2000, the PMSA continued its job growth and gained 41,500 jobs, mostly in the service sector.

**PMSA 0875 (BERGEN-PASSAIC, NJ)**

This PMSA has a population of 1.3 million, which is 8 percent of the population of CMSA 5602.

Income Characteristics

The 1990 median family income for PMSA 0875 (Bergen-Passaic, NJ) is \$52,659, higher than the median family income of \$45,058 for CMSA 5602. Bergen County has a higher 1990 median family income with \$57,760, compared with \$43,074 for Passaic County. The HUD-adjusted median family incomes for the PMSA in 1999 and 2000 are \$69,500 and \$72,600, respectively.

Based on the 1990 Census, of the 264 census tracts considered for the analysis, 68 or 26 percent are LMI. Passaic County contains 42 or 62 percent of the LMI tracts, and Bergen County contains 26 or 38 percent of the LMI tracts. The 1990 Census also indicates that 38.9 percent of the families residing in the PMSA are upper-income, 23.6 percent are middle-income, 18.9 percent are moderate-income, and 18.6 percent are low-income.

Housing Characteristics

The 1990 Census counted 487 thousand housing units in the PMSA, of which 61 percent are owner-occupied. The PMSA housing units account for 7 percent of the CMSA housing units and 10 percent of the CMSA owner-occupied housing units. In LMI census tracts, 33 percent of the housing units are owner-occupied. The PMSA median housing value of \$213 thousand exceeds the CMSA 5602 median of \$188 thousand. Bergen County has the higher median housing value with \$226 thousand compared with \$185 thousand for Passaic County, according to the 1990 Census.

The New Jersey Association of Realtors estimates that the average sales price in 2000 of single-family homes in Passaic County is \$200 thousand, compared with \$327 thousand in Bergen County.

Labor, Employment and Economic Characteristics

The PMSA is undergoing an economic expansion marked by employment shifts from manufacturing to service. This shift continues to have a negative impact in older urban areas, while service growth tends to be concentrated in suburban areas. During 2000, employment in the services industry grew by 15 thousand and accounted for most of the region's new jobs.

In December 2000, the unemployment rate for the PMSA was 3.4 percent, slightly lower than the state jobless rate of 3.5 percent. As a result of high unemployment levels and economic development needs, the New Jersey Department of Commerce designated the cities of Passaic and Paterson as Urban Enterprise Zones.

EXHIBIT 3

# Assessment Area Demographics

## CMSA 5602

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	427	9.4	351,147	8.2	142,784	35.5	209,798	12.2
Moderate-income	803	17.7	788,245	18.4	129,099	32.1	189,939	11.0
Middle-income	1,884	41.6	1,893,131	44.1	100,294	24.9	507,685	29.5
Upper-income	1,267	27.9	1,257,439	29.3	30,447	7.6	814,645	47.3
<b>TOTALS</b>	<b>4,530*</b>	<b>96.9*</b>	<b>4,289,962</b>	<b>100.0</b>	<b>402,624</b>	<b>100.0</b>	<b>1,722,067</b>	<b>100.0</b>

	Housing Units by Tract	Housing Types by Tract					
		Owner-occupied		Rental		Vacancy	
		#	%	#	%	#	%
Low-income	530,089	40,720	1.3	455,920	14.6	33,449	7.8
Moderate-income	1,280,991	349,836	11.3	826,625	26.4	104,530	24.3
Middle-income	2,831,933	1,505,161	48.8	1,156,423	36.9	170,349	39.6
Upper-income	1,998,836	1,188,771	38.5	688,922	22.0	121,143	28.2
<b>TOTALS</b>	<b>6,641,849</b>	<b>3,084,488</b>	<b>100.0</b>	<b>3,127,890</b>	<b>100.0</b>	<b>429,471</b>	<b>100.0</b>

	Total Businesses By Tract		Businesses by Tract & Revenue Size			
	#	%	Under \$1 million		Over \$1 million	
			#	%	#	%
Low-income	36,635	5.0	30,072	4.9	4,554	5.3
Moderate-income	111,842	15.3	92,680	15.2	13,615	15.9
Middle-income	298,091	40.9	253,383	41.5	31,328	36.6
Upper-income	275,171	37.7	229,601	37.6	34,094	39.8
Tract not reported	7,587	1.0	5,226	.9	2,053	2.4
<b>TOTALS</b>	<b>729,326</b>	<b>100.0</b>	<b>610,962</b>	<b>100.0</b>	<b>85,644</b>	<b>100.0</b>

\* The total number of tracts includes 149 tracts labeled "NA" (not available).

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 5602

### LENDING TEST

The bank's performance with respect to the lending test in CMSA 5602 is rated "low satisfactory." Lending volumes improved modestly since the previous examination, but continued improvement is necessary. Geographic distribution of lending reflected adequate overall penetration, while the overall distribution of loans among individuals of different income levels and businesses of different sizes was good. Community development lending activity was outstanding.

The information used to evaluate the bank's lending performance in CMSA 5602 is shown in the first set of tables in CRA Appendix D. Lending activity, including community development lending, is shown in Table 1, geographic distribution of lending is shown in Tables 2 through 6, and borrower characteristics are shown in Tables 7 through 10.

**Lending Activity:** BNY's lending activity, while improved from the levels of the previous examination, continued to show poor responsiveness to the retail credit needs in the CMSA, and additional improvement is needed. Although lending volume increased in 2000 when compared with 1999, overall lending activity during the examination period continues to be weak in relation to the bank's size, market presence and financial capacity.

Although BNY has the fourth largest deposit market share and the fourth largest retail branch network in New York State, the mortgage affiliate ranked 48<sup>th</sup> for all HMDA reportable loans originated in the bank's assessment area. With respect to small business lending, the bank ranked 13th for all small business loans originated in the CMSA.

**Geographic Distribution of Lending:** The overall geographic distribution of retail loans reflected adequate loan penetration, although performance varied between HMDA-related loans and loans to small businesses, which represented most of the bank's lending activity.

#### Home Purchase Loans and Refinancings

When compared with the level of owner-occupied housing units, the overall geographic distribution of home purchase loans and refinancings in LMI census tracts reflected excellent penetration. In addition, BNY's level of lending in LMI geographies met or exceeded that of the aggregate of lenders in the four primary PMSAs in the CMSA assessment area.

#### Small Loans to Businesses

The overall geographic distribution of small loans to businesses across census tracts of different income levels reflected poor penetration in the CMSA when compared with the location of small

businesses. This is primarily due to the poor performance in PMSA 5600 (New York, NY) and PMSA 5640 (Newark, NJ) where the bank was greatly outperformed by aggregate lenders with respect to lending to businesses in LMI tracts. These low geographic penetration levels for small business lending were noted in the previous examination, with little or no improvement displayed during this examination period. The percentage of small business loans in LMI census tracts relative to the percentage of business establishments located in LMI geographies in PMSA 5640 actually declined since the previous examination.

An analysis of loans to small businesses revealed abnormally low penetration with regard to the bank's lending performance in LMI tracts located in the city of Paterson, in PMSA 0875 (Bergen-Passaic, NJ) and in the city of Newark in PMSA 5640 (Newark, NJ).

**Distribution of Loans by Borrower Income and Revenue Size of the Business:** The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. HMDA-related loan distribution was good when viewed in the context of high housing costs relative to income in the CMSA, which generally puts homeownership beyond the reach of most low-income borrowers. Lending to businesses with GAR of \$1 million or less also reflected good distribution. The overall good performance was consistent throughout the four primary assessment areas that drive the rating in CMSA 5602.

#### HMDA-related Lending to Moderate-income Families

The distribution of home purchase loans to moderate-income borrowers in all four of the primary PMSAs was excellent, exceeding the percentage of moderate-income families in the assessment area. The distribution of refinancings to moderate-income borrowers was excellent in three of the primary PMSAs and good in PMSA 5600 (New York, NY). The percentage of refinancings to moderate-income borrowers exceeded the percentage of moderate-income families in three of the PMSAs and was comparable in PMSA 5600. The bank outperformed the aggregate for both home purchase loans and refinancings in each of the four primary PMSAs.

#### HMDA-related Lending to Low-income Families

The distribution of home purchase loans and refinancings to low-income borrowers in all four of the primary PMSAs was adequate. The loan penetration was consistently low but is considered reasonable when reviewed against performance context and aggregate performance. As previously cited, a comparison of average sales prices of housing in each of the four primary PMSAs with the median family incomes reveals that owner-occupied housing is beyond the reach of most low-income borrowers.

#### Lending to Businesses of Different Sizes

The distribution of loans to small businesses reflected good distribution of loans to businesses of different sizes based on the high level of loans for \$100 thousand or less and the number of business establishments in the assessment area with gross annual revenues ("GAR") of \$1

million or less. The bank's percentage of small business loans to businesses with GAR of \$1 million or less outperformed the aggregate in PMSA 5600 (60 percent vs. 57 percent) and PMSA 5380 (63 percent vs. 61 percent) and was comparable in the remaining two primary PMSAs. Eighty-five percent of small business loans were for \$100 thousand or less, with an average loan size of \$30 thousand. The bank outperformed the aggregate in PMSA 5380 (88 percent vs. 85 percent) with respect to loans of \$100 thousand or less and was comparable in the three other primary PMSAs.

**Community Development Loans:** BNY's community development lending performance in Multistate CMSA 5602 is rated "outstanding." During the examination period community development loan commitments totaled \$345.1 million as shown in Table 1 on page BB37. In addition, the bank committed \$15.5 million in community development letters of credit during the examination period. Many of the community development loans were complex in nature, requiring coordination with multiple governmental agencies.

Community development lending in support of affordable housing totaled \$134.1 million or 39 percent of total activity and provided for the construction or rehabilitation of 2,599 affordable housing units in the bank's assessment area. Community contacts interviewed during this examination documented the need for affordable housing. Lending to revitalization and stabilization initiatives totaled \$101.2 million or 29 percent, while support services lending totaled \$51.4 million or 15 percent, and small business development lending was \$58.4 million or 17 percent.

Examples of community development loans originated during the evaluation period include:

- A \$2.4 million loan to a New York economic development organization associated with the New York Business Development Corporation ("NYBDC"). The organization provides capital to new and existing businesses located within the approved New York Economic Development Zone.
- A \$1 million line of credit to a nonprofit corporation that provides housing for LMI families in lower Fairfield County, Connecticut. These funds are to be used for the construction and rehabilitation of LMI housing stock.
- A \$1.3 million loan to a nonprofit organization that provides training, residential treatment and therapeutic services for the developmentally disabled.
- A \$250 thousand loan to a nonprofit provider of group homes and child care services for abandoned, neglected, abused and mentally disabled children.



## INVESTMENT TEST

BNY's performance under the investment test is rated "outstanding" in Multistate CMSA 5602. The bank had a significant level of qualified investments, demonstrated a high level of responsiveness, and made good use of complex investments in addressing community credit needs. The complex investments consisted of a number of LIHTCs that require a significant amount of record-keeping over a 15-year period.

The bank's level of qualified investments was significant, totaling \$138.5 million at this examination. Investments included \$137.3 million to various entities engaged in community development activity and \$1.2 million in charitable grants and contributions to organizations supporting community development programs. Qualified investments initiated during the examination period represent \$73.9 million or 53 percent of the total.

BNY displayed a high level of responsiveness to the most pronounced community development needs in its assessment areas. The predominant portion of investments totaling \$125.8 million or 91 percent was directed toward agencies engaged in affordable housing development. In meetings conducted during the examination, community contacts identified affordable housing needs as the primary concern in the bank's assessment areas. Approximately 2 percent of investments, or \$2.6 million, were directed toward small business development, with the remainder directed toward supportive services (\$9.1 million or 7 percent) and revitalization and stabilization (\$1 million or less than 1 percent).

The bank's qualified investments included seven LIHTCs totaling \$59 million, or 43 percent of the total. LIHTCs enable developers to raise equity to construct or rehabilitate residential rental projects for LMI tenants. BNY's \$41 million investment in the New York Equity Fund represents 30 percent of total qualified investments. This fund acquires interests in local limited partnerships and limited liability companies with nonprofit organizations serving as general partners. The fund invests in projects that develop and operate affordable rental housing projects, mainly in New York City.

## SERVICE TEST

Overall, BNY's performance on the service test in CMSA 5602 is rated "low satisfactory." Delivery systems are inaccessible to large portions of the assessment area, although the bank's record of opening and closing of branches did not adversely affect the accessibility of the bank's delivery systems. Furthermore, hours and services do not vary in a way that inconveniences any portion of the assessment area. BNY provides a good level of community development services.

## **Retail Services**

### *Accessibility of Delivery Systems*

The main system for delivering retail credit and non-credit services is the branch network, which is inaccessible to large portions of the assessment area. In addition to the branch network, BNY makes its services available through ATMs, drive-up windows, and banking by telephone, mail and personal computer.

As of December 31, 2000, BNY operated 346 full-service branches in CMSA 5602. In the four primary PMSAs, only 12 percent of branches are located in or adjacent to LMI census tracts, while 28 percent of the census tracts are LMI. The absence of branches in the Bronx and Brooklyn in New York and Union County in New Jersey continues to be a negative factor. For details and comparisons of branch locations to populations residing in LMI geographies, see Table 12 in the first set of (CMSA) tables.

### *Availability and Effectiveness of Alternate Systems for Delivering Retail Services*

In addition to branch offices, BNY provided alternative delivery systems that do not significantly enhance the availability and effectiveness of retail credit and non-credit services in LMI geographies or to LMI individuals. The distribution of ATMs and business banking centers is adequate. BNY operates 233 ATMs in CMSA 5602; 215 are located at bank branches and 18 are off-site. Of the 18 off-site ATMs, 4 (22 percent) are located in LMI tracts.

### *Record of Opening and Closing Branches*

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Five branches were closed and four were consolidated. One moderate-income branch closed since the previous examination.

### *Reasonableness of Business Hours and Services in Meeting Assessment Area Needs*

BNY's business hours and services do not vary in a way that inconveniences certain portions of its assessment area, particularly in LMI geographies and to LMI individuals. The number of branches providing extended and/or Saturday hours was good, totaling 89 percent of all branch locations. There were four branches in New Jersey that offered Sunday hours: three in Bergen County and one in Morris County.

## **Community Development Services**

Marking an improvement since the previous examination, BNY provided a relatively high level of community development services in the CMSA. The bank sponsored or participated in 83 seminars, workshops and expositions: 52 in New York State, 27 in New Jersey and 4 in

Connecticut. Most of these events were focused on first-time home buying, affordable mortgages and reverse mortgages.

In addition, the bank provided technical assistance on four occasions to organizations creating affordable housing programs. Approximately 93 BNY officers and employees provided technical and support services to 90 community organizations serving the needs of LMI populations, small businesses and economic development. The organizations included board membership in Neighborhood Housing Services (“NHS”) of New York, Abyssinian Development Corporation, NYBDC, New Jersey Housing Opportunity Fund, Essex County Economic Development Fund and the Housing Fund of Lower Fairfield County (Connecticut).

## NEW YORK STATE

### ***CRA RATING FOR NEW YORK STATE\*: SATISFACTORY***

*The lending test is rated: Low satisfactory*

*The investment test is rated: Outstanding*

*The service test is rated: Low satisfactory*

Major factors supporting the rating in the New York State assessment area include:

- The number and dollar amount of home purchase, refinance and small business loan originations reflected adequate responsiveness to retail credit needs in the assessment area.
- The overall geographic distribution of retail loans across census tracts of different incomes was adequate.
- The overall distribution of loans among individuals of different income levels was poor and needs to improve, while the distribution to businesses of different sizes was adequate.
- Service delivery systems are reasonably accessible to essentially all portions of the assessment area, particularly in LMI geographies and to LMI individuals.

### **SCOPE OF EXAMINATION**

A full review of BNY's performance in New York State was conducted. This assessment area contains a very small part of the bank's operations and does not weigh significantly in the overall CRA performance rating.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK STATE**

The New York assessment area is small, encompassing only the portions of the state not included in the CMSA assessment area and where BNY has branch locations. The assessment area consists of the southeastern portion of Sullivan County including the non-MSA municipalities of Bethel, Fallsburg, Forestburgh, Highland, Liberty, Lumerland, Mamakating and Thompson, and

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\* For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate consolidated metropolitan statistical area ("CMSA"). Refer to the CMSA area rating and discussion for the rating and evaluation of the institution's performance in that area.

the contiguous eastern portion of Ulster County, including the non-MSA municipalities of Esopus, Gardiner, Hurley, Kingston, Lloyd, Marbletown, Marlborough, New Paltz, Olive, Plattekill, Rochester, Rosendale, Saugerties, Shawangunk, Ulster, Warwarsing and Woodstock.

As of December 31, 2000, 5 of 351 branches (1 percent) and less than 1 percent of BNY's total retail deposits were located in this assessment area. During the examination period, 1 percent of BNY's home purchase loans and refinancings were originated in this assessment area. In addition, the bank originated 1 percent of its small business loans in this assessment area.

## **PERFORMANCE CONTEXT**

This assessment area has a population of 214 thousand, which is 1.3 percent of the population of BNY's entire assessment area.

### *Income Characteristics*

The 1990 median family income for the New York State assessment area is \$38,664, lower than the median family income of \$45,058 for CMSA 5602. The HUD-adjusted median family incomes for the New York non-MSAs for 1999 and 2000 are \$39,300 and \$40,300, respectively. Based on the 1990 Census, of the 63 census tracts considered for the analysis, 1 is LMI (and located in Ulster County). The 1990 Census also indicates that 51.3 percent of the families residing in the non-MSA are upper-income, 21.3 percent are middle-income, 14.4 percent are moderate-income, and 13 percent are low-income.

### *Housing Characteristics*

The assessment area contains 100 thousand housing units, of which 53 percent are owner-occupied. They account for 1.5 percent of BNY's entire assessment area housing units and 2 percent of the bank's assessment area owner-occupied housing units. In LMI census tracts, 40 percent of the housing units are owner-occupied. Based on the 1990 Census, the assessment area's median housing value of \$109 thousand is less than the CMSA 5602 median of \$188 thousand. Ulster County has the higher median housing value with \$115 thousand compared with \$96 thousand for Sullivan County.

According to the New York State Association of Realtors, the average sales price of homes in Sullivan and Ulster Counties in 2000 were \$78 thousand and \$160 thousand, respectively.

### *Labor, Employment and Economic Characteristics*

The region has rebounded recently after having experienced substantial job losses between 1994 and 1996. The unemployment rate as of December 2000 was 2.9 percent, much lower than the state unemployment rate of 4.2 percent. Part of the Hudson Valley region, Ulster County has a

large concentration of high tech manufacturing jobs but is gradually shifting toward the service industries.

Sullivan County is both rural and recreational, offering trout streams, golf courses, ski areas, a harness racetrack, and canoeing on the Delaware River. Service and retail are the dominant industries in this county. The unemployment rate in Sullivan County was 5.6 percent in December 2000, the highest in the Hudson Valley region.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE**

The overall composite and component ratings for New York State are based solely on portions of Sullivan and Ulster Counties. The other geographic regions in the state where BNY operates are located in Multistate CMSA 5602 and were evaluated as part of CMSA 5602's overall rating.

### **LENDING TEST**

The bank's performance with respect to the lending test in the New York assessment area is rated "low satisfactory." HMDA-related lending volumes declined slightly, while small business lending modestly improved since the previous examination. Geographic distribution of lending reflected adequate overall penetration, while the overall distribution of loans among individuals of different income levels and businesses of different sizes was good. Community development lending activity was excellent.

The information used to evaluate the bank's lending performance in the New York Assessment area is shown in the second set of tables in CRA Appendix D. Lending activity, including community development lending, is shown in Table 1, geographic distribution of lending is shown in Tables 2 through 6, and borrower characteristics are shown in Tables 7 through 10.

**Lending Activity:** The number and dollar amount of home purchase, refinance and small business loan originations demonstrated adequate responsiveness to retail credit needs, based on the bank's limited presence in the assessment area.

**Geographic Distribution of Lending:** The overall geographic distribution of HMDA-related loans across census tracts of different incomes was adequate when compared with very limited lending opportunities. The single moderate-income census tract consists of only 664 owner-occupied housing units and 121 business establishments.

**Distribution of Loans by Borrower Income and Revenue Size of the Business:** The overall distribution of loans among individuals of different income levels and businesses of different sizes was good when compared with available lending opportunities and the performance of the aggregate.

HMDA-related Lending to Moderate-income Families

The distribution of home purchase lending was excellent. The percentage of home purchase loans to moderate-income borrowers is greater than the percentage of moderate-income families. The volume of refinancings is small and not a significant measurement of loan penetration.

HMDA-related Lending to Low-income Families

BNY originated no home purchase loans or refinancings to low-income borrowers in the assessment area portions of Ulster and Sullivan Counties. This level of performance is poor and needs to improve. Ulster and Sullivan Counties have over 7,000 low-income families, thus providing ample loan opportunities for financial institutions.

Lending to Businesses of Different Sizes

Overall, the distribution of lending to businesses of different sizes in the assessment area portions of Ulster and Sullivan Counties was good. Approximately 69 percent of the small business loans in the assessment area were made to businesses with reportable GAR of \$1 million or less, compared with the aggregate percentage of 63 percent. The bank made approximately 85 percent of small business loans in amounts of \$100 thousand or less, which is comparable to the aggregate percentage of 86 percent. The average size of these loans was \$31 thousand.

**Community Development Lending:** The bank had an excellent level of community development lending in the New York State assessment area. BNY originated one community development loan totaling \$2.7 million for community development services to an organization that provides affordable multifamily rental complexes.

**INVESTMENT TEST**

BNY's performance under the investment test is rated "outstanding" in the New York assessment area. As stated previously, the bank made a total of \$4.4 million in investments that directly benefited the New York State assessment area. These consisted of a \$2.4 million statewide investment in a NYBDC and a \$2 million investment in a Hudson Valley LIHTC. The bank also made a \$5 thousand grant to an affordable housing organization in the assessment area.

**SERVICE TEST**

BNY's performance on the service test in the New York assessment area is rated "low satisfactory" based on the bank's record of providing services in this assessment area. Delivery systems are reasonably accessible to essentially all portions of the assessment area. No branches were opened or closed during this examination period. Hours and services do not vary in a way that inconveniences certain portions of its assessment area, particularly in LMI geographies and

among LMI individuals. BNY provides an adequate level of community development services in the assessment area.

### **Retail Services**

#### *Accessibility of Delivery Systems*

Delivery systems are reasonably accessible to essentially all portions of BNY's assessment area. The main system for delivering retail credit and non-credit services is the branch network. In addition to the branch network, BNY provides its services through ATMs, drive-up windows, and banking by personal computer and telephone.

As of December 31, 2000, BNY operated five full-service branches in this assessment area, none of which were located in the single moderate-income census tract. The assessment area has no low-income census tracts. Twenty-seven percent of families are LMI. A substantial amount of LMI families in this assessment area reside in non-LMI census tracts. For details, see Core Table 12 (New York State) on page BB52.

#### *Availability and Effectiveness of Alternate Systems for Delivering Retail Services*

BNY's alternate service delivery system does not significantly enhance the availability and effectiveness of retail credit and non-credit services in the assessment area. The bank operates four ATMs in its non-MSA area; three at bank branches and one off-site. None are located in the moderate-income census tract. BNY is a member of NYCE, CIRRUS, PULSE and HONOR ATM networks. All ATMs provide various withdrawal, deposit, and loan payment and transfer services.

#### *Record of Opening and Closing Branches*

One branch in a middle-income tract was closed, and one was consolidated into another middle-income census tract branch.

#### *Reasonableness of Business Hours and Services in Meeting Assessment Area Needs*

BNY's business hours and services do not vary in a way that inconveniences certain portions of its assessment area, particularly LMI geographies and LMI individuals. All branches offer the same products and services.

### **Community Development Services**

BNY provides an adequate level of community development services in the New York State assessment area that are responsive to the needs in the assessment area. The bank provided technical assistance to four community and economic development organizations. One employee



continues to serve on the board of directors of the Sullivan County Partnership for Economic Development. Other employees provide technical assistance to the Hudson Valley Council of Industry, the Ulster County Development Corporation, and the Mid-Hudson Bankers Small Business Loan Fund.

**CRA APPENDIX A**  
**SCOPE OF EXAMINATION**

See page BB5 for details about the examination scope.

<b>SCOPE OF EXAMINATION</b>			
<b>TIME PERIOD REVIEWED</b>		1/1/99 TO 12/31/2000	
<b>FINANCIAL INSTITUTION</b>  The Bank of New York 1 Wall Street New York, NY			<b>LOAN PRODUCTS REVIEWED</b>  <ul style="list-style-type: none"> <li>• Home purchase</li> <li>• Refinancings</li> <li>• Small business</li> <li>• Multifamily</li> </ul>
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
BNY Mortgage Company, LLC	Bank subsidiary		Mortgage loans
BNY Aurora Holding Co.	Holding company subsidiary		Investments
<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED*</b>	<b>OTHER INFORMATION</b>
CMSA 5602	On-site Full procedures	20 Broad St. & 51 W. 51 <sup>st</sup> St., New York, NY	
Sullivan and Ulster Counties, NY	On-site Full procedures		

\* There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

**CRA APPENDIX B**

**Summary of State and Multistate MSA Ratings**

<b>The Bank of New York CRA Performance May 21, 2001</b>				
<b>State or Multistate Metropolitan Area Name</b>	<b>Lending Test Rating</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall State Rating</b>
CMSA 5602	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
New York	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory

## CRA APPENDIX C

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**Block numbering area (“BNA”):** Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

**Census tract:** Small subdivisions 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. They 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:** Affordable 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.

**Consumer loan:** A loan to one or more individuals for household, family or other personal expenditures. A consumer loan does not include a home mortgage, small business or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, home equity, other secured loan and other unsecured loan.

**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 (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**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 such data as the race, gender and income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied and withdrawn).

**Home mortgage loans:** Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

**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.

**Limited review:** Performance under the lending, investment and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution and total number and dollar amount of investments, 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 lenders in the MSA/assessment area.

**Metropolitan area:** Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan 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.

**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.

**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.

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

**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.

**Small loans to business:** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by non-farm nonresidential properties or are classified as commercial and industrial loans.

**Small loans to farms:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, 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.

Table 1. Lending Volume

LENDING VOLUME		State: CMSA 5602				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000						
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA**	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans		Total Reported Loans		% of Rated Area Deposits in MSA/AA*
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
PMSA 5600	44	3,732	555,507	4,670	352,410	0	0	69	275,032	8,471	1,182,949	74
PMSA 5380	25	2,133	261,625	2,698	155,258	0	0	20	24,803	4,851	441,686	10
PMSA 5640	6	405	66,262	662	49,209	0	0	10	8,950	1,077	124,421	3
PMSA 0875	8	482	79,725	936	68,195	0	0	3	8,500	1,421	156,420	5
PMSA 2281	4	251	29,891	438	25,541	0	0	4	2,170	693	57,602	1
PMSA 5660	5	487	51,063	522	36,499	0	0	12	3,794	1,021	91,356	2
PMSA 3640	2	160	16,433	149	11,174	0	0	0	0	309	27,607	1
PMSA 5015	2	126	14,361	187	15,945	0	0	3	6,650	316	36,956	1
PMSA 5190	2	268	35,657	186	14,515	0	0	1	10	455	50,182	1
PMSA 1160	0	12	6,463	20	719	0	0	3	13,500	35	20,682	0
PMSA 8040	2	189	78,876	210	16,229	0	0	1	1,693	400	96,798	2

Full Review:

(\*) Deposit data as of June 30, 2000. Rated area refers to either the state or multistate MSA rating area.

(\*\*) Loan data as of December 31, 2000. Rated area refers to either the state or multistate MSA ratings area.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000			
Metropolitan Statistical Area/Assessment Area	Total Home Purchase Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper	
PMSA 5600	3,108	49.00	2.08	3.02	8.40	14.83	30.37	21.91	59.15	60.23	2.91	8.25	25.94	62.84	
PMSA 5380	1,598	25.19	0.04	0.06	11.81	41.74	68.73	52.75	88.15	58.20	0.06	15.64	66.15	18.15	
PMSA 5640	250	3.94	2.07	6.00	11.19	18.00	43.07	41.20	43.67	34.80	2.74	9.99	41.55	45.72	
PMSA 0875	305	4.81	0.79	0.98	11.01	22.62	56.56	54.75	31.64	21.64	0.90	11.30	55.02	32.77	
PMSA 2281	205	3.23	1.50	0.00	8.81	10.73	73.20	80.00	16.48	9.27	1.46	7.86	74.84	16.05	
PMSA 5660	367	5.79	1.22	1.63	8.97	14.17	55.02	60.76	34.79	23.43	1.63	7.31	50.30	40.76	
PMSA 3640	125	1.97	0.60	0.80	10.42	28.00	59.59	40.00	29.40	31.20	1.39	13.76	56.58	28.27	
PMSA 5015	86	1.36	0.88	2.33	12.36	24.42	73.78	60.47	12.99	12.79	1.24	10.87	70.56	17.34	
PMSA 5190	179	2.82	1.12	2.23	22.04	36.31	44.13	35.20	32.71	26.26	0.79	15.07	47.57	36.57	
PMSA 1160	5	0.08	0.00	0.00	0.00	0.00	35.55	40.00	64.45	60.00	0.00	0.00	39.24	60.76	
PMSA 8040	115	1.81	3.50	4.35	16.91	30.43	40.94	32.17	38.65	33.04	4.02	20.36	39.31	36.32	

Full Review:

(\*) Based on 1999 aggregate HMDA data only.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(\*\*\*) Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.



Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000			
Metropolitan Statistical Area/Assessment Area	Total Home Improvement Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper	
PMSA 5600	120	32.35	2.08	3.33	8.40	8.33	30.37	25.00	59.15	63.33	12.91	25.18	28.64	33.04	
PMSA 5380	116	31.27	0.04	0.00	11.81	15.52	68.73	70.69	19.42	13.79	0.08	16.23	68.90	14.79	
PMSA 5640	37	9.97	2.07	2.70	11.19	10.81	43.07	43.24	43.67	43.24	3.38	16.20	44.39	36.03	
PMSA 0875	47	12.67	0.79	0.00	11.01	14.89	56.56	59.57	31.64	25.53	1.95	15.44	50.41	32.20	
PMSA 2281	8	2.16	1.50	0.00	8.81	0.00	73.20	87.50	16.48	12.50	0.88	7.91	76.01	15.20	
PMSA 5660	14	3.77	1.22	7.14	8.97	14.29	55.02	64.29	34.79	14.29	1.39	6.24	49.65	42.73	
PMSA 3640	5	1.35	0.60	0.00	10.42	0.00	59.59	40.00	29.40	60.00	1.31	10.71	56.67	31.31	
PMSA 5015	10	2.70	0.88	0.00	12.36	40.00	73.78	60.00	12.99	0.00	1.18	12.33	73.47	13.02	
PMSA 5190	9	2.43	1.12	0.00	22.04	11.11	44.13	22.22	32.71	66.67	0.50	13.32	49.01	37.17	
PMSA 1160	1	0.27	0.00	0.00	0.00	0.00	35.55	100.00	64.45	0.00	0.00	0.00	36.26	63.74	
PMSA 8040	4	1.08	3.50	0.00	16.91	25.00	40.94	75.00	38.65	0.00	4.83	16.27	39.73	39.17	

Full Review:

(\*) Based on 1999 aggregate HMDA data only.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(\*\*\*) Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		State: CMSA 5602		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000										
Metropolitan Statistical Area/Assessment Area	Total Home Mortgage Refinance Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	Low	Mod	Mid	Upper
PMSA 5600	480	32.24	2.08	2.08	8.40	15.00	30.37	15.21	59.15	67.71	3.41	9.72	26.89	59.94
PMSA 5380	417	28.01	0.04	0.00	11.81	41.01	68.73	48.68	19.42	10.31	0.05	13.46	68.94	17.54
PMSA 5640	112	7.52	2.07	1.79	11.19	13.39	43.07	46.43	43.67	38.39	2.13	10.66	40.21	47.00
PMSA 0875	127	8.53	0.79	0.79	11.01	15.75	56.56	55.12	31.64	28.35	0.94	10.13	52.72	36.21
PMSA 2281	37	2.48	1.50	0.00	8.81	8.11	73.20	75.68	16.48	16.22	1.09	6.81	72.65	19.42
PMSA 5660	105	7.05	1.22	1.90	8.97	7.62	55.02	50.48	34.79	40.00	1.92	8.05	48.89	41.14
PMSA 3640	28	1.88	0.60	0.00	10.42	7.14	59.59	64.29	29.40	28.57	0.86	11.19	60.01	27.94
PMSA 5015	30	2.01	0.88	0.00	12.36	20.00	73.78	60.00	12.99	20.00	0.81	10.08	73.68	15.42
PMSA 5190	77	5.17	1.12	1.30	22.04	25.97	44.13	38.96	32.71	33.77	0.68	12.77	47.49	39.06
PMSA 1160	6	0.40	0.00	0.00	0.00	0.00	35.55	0.00	64.45	100.00	0.00	0.00	35.46	64.54
PMSA 8040	70	4.70	3.50	0.00	16.91	11.43	40.94	31.43	38.65	57.14	2.90	15.37	38.18	43.55

Full Review:

(\*) Based on 1999 aggregate HMDA data only.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

(\*\*\*) Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		State: CMSA 5602				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000								
Metropolitan Statistical Area/Assessment Area	Total Multifamily Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Multifamily Units***	% Bank Loans	% Multifamily Units***	Low	Mod	Mid	Upper
PMSA 5600	24	57.14	17.65	8.33	23.01	16.67	26.51	29.17	32.84	45.83	13.03	28.65	31.47	26.79
PMSA 5380	2	4.76	0.28	0.00	29.37	50.00	59.88	50.00	10.47	0.00	0.00	25.00	67.61	7.39
PMSA 5640	6	14.29	23.26	16.67	31.77	16.67	32.67	50.00	12.29	16.67	14.79	43.73	31.19	10.29
PMSA 0875	3	7.14	8.66	0.00	24.09	66.67	57.19	33.33	10.07	0.00	9.45	45.77	37.31	7.46
PMSA 2281	1	2.38	13.89	0.00	20.36	0.00	62.50	100.00	3.25	0.00	5.00	10.00	75.00	10.00
PMSA 5660	1	2.38	7.56	0.00	20.44	0.00	53.57	0.00	18.43	100.00	0.00	14.29	52.38	33.33
PMSA 3640	2	4.76	3.74	0.00	20.74	0.00	56.29	50.00	19.24	50.00	1.37	31.23	58.08	9.32
PMSA 5015	0	0.00	3.98	0.00	24.48	0.00	66.05	0.00	5.49	0.00	18.52	29.63	48.15	3.70
PMSA 5190	3	7.14	5.82	0.00	33.31	0.00	46.05	100.00	14.82	0.00	10.53	40.35	38.60	10.53
PMSA 1160	0	0.00	0.00	0.00	0.00	0.00	42.78	0.00	57.22	0.00	0.00	0.00	25.00	75.00
PMSA 8040	0	0.00	18.21	0.00	57.18	0.00	22.31	0.00	2.31	0.00	13.79	48.28	24.14	13.79

Full Review:

(\*) Based on 1999 aggregate HMDA data only.

(\*\*) Multifamily loans originated and purchased in the MSA/AA as a percentage of all home multifamily loans originated and purchased in the rated area.

(\*\*\*) Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by the number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: CMSA 5602		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000										
Metropolitan Statistical Area/Assessment Area	Total Small Business Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper
PMSA 5600	4,670	43.73	6.89	3.51	16.15	8.22	23.11	16.60	51.51	71.67	6.90	14.23	26.15	52.71
PMSA 5380	2,698	25.27	0.15	0.07	13.99	13.86	65.70	68.57	20.14	17.49	2.91	12.72	56.73	27.65
PMSA 5640	662	6.20	7.29	3.17	12.55	5.44	40.45	41.54	39.68	49.85	4.26	10.96	40.50	44.28
PMSA 0875	936	8.77	3.41	2.03	15.19	22.65	53.52	54.91	27.77	20.41	2.16	14.46	54.16	29.22
PMSA 2281	438	4.10	6.87	8.68	13.40	12.10	67.35	66.67	12.38	12.56	4.65	11.11	73.16	11.08
PMSA 5660	522	4.89	2.45	0.77	18.35	11.11	48.51	50.00	30.69	38.12	3.16	10.92	51.48	34.44
PMSA 3640	149	1.40	1.18	0.38	17.68	15.44	55.07	51.01	25.61	32.89	1.39	15.00	55.80	27.81
PMSA 5015	187	1.75	4.20	4.81	13.09	12.83	70.68	72.19	11.96	10.16	2.34	10.99	72.77	13.91
PMSA 5190	186	1.74	1.63	1.08	14.06	10.75	47.76	50.54	36.54	37.63	0.83	12.41	47.77	38.98
PMSA 1160	20	0.19	0.00	0.00	0.00	0.00	61.62	30.00	38.38	70.00	0.00	0.00	58.49	41.51
PMSA 8040	210	1.97	14.64	9.52	26.08	29.52	33.72	20.48	25.56	40.48	11.48	23.28	33.79	31.45

Full Review:

(\*) Based on 1999 aggregate small business data only.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(\*\*\*) Source of data: Dun and Bradstreet. Totals exclude census tracts where zero income or zero population was reported.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000			
Metropolitan Statistical Area/ Assessment Area	Total Home Purchase Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **				
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	Low	Mod	Mid	Upper	
Full Review:															
PMSA 5600	2,692	50.64	25.58	4.27	15.41	21.88	18.26	30.50	40.76	43.35	1.58	9.75	24.71	63.97	
PMSA 5380	1,196	22.50	16.36	15.64	19.26	39.30	26.30	27.84	38.08	17.22	4.88	22.58	32.91	39.63	
PMSA 5640	193	3.63	20.05	7.25	17.58	33.16	23.34	29.53	39.03	30.05	5.51	22.06	28.93	43.50	
PMSA 0875	275	5.17	18.58	7.27	18.93	26.55	23.59	28.00	38.91	38.18	4.86	19.06	31.12	44.96	
PMSA 2281	197	3.71	16.72	5.58	19.15	33.50	28.12	29.95	36.01	30.96	5.95	19.23	33.66	41.16	
PMSA 5660	351	6.60	17.67	5.13	17.38	31.34	25.13	37.61	39.82	25.93	4.11	18.51	31.06	46.32	
PMSA 3640	109	2.05	22.91	0.92	16.23	13.76	21.11	33.03	39.75	52.29	3.17	11.70	29.29	55.84	
PMSA 5015	70	1.32	17.75	24.29	21.42	38.57	27.99	22.86	32.84	14.29	11.64	31.70	30.74	25.92	
PMSA 5190	141	2.65	17.81	11.35	18.41	24.82	24.10	28.37	39.68	35.46	5.85	18.86	26.88	48.41	
PMSA 1160	4	0.08	10.58	0.00	13.53	0.00	18.79	0.00	57.10	100.00	1.60	8.89	18.35	71.15	
PMSA 8040	88	1.66	20.77	10.23	19.64	11.36	20.47	14.77	39.12	63.64	11.38	18.61	21.02	48.99	

(\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(\*\*) Based on 1999 aggregate HMDA data only.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for 16% of loans originated and purchased by the bank.

(\*\*\*\*) Percentage of families is based on the 1990 Census information.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000			
Metropolitan Statistical Area/Assessment Area	Total Home Improvement Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **				
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	Low	Mod	Mid	Upper	
PMSA 5600	51	39.84	25.58	11.76	15.41	9.80	18.26	29.41	40.76	49.02	18.88	21.51	22.81	36.72	
PMSA 5380	38	29.69	16.36	15.79	19.26	21.05	26.30	26.32	38.08	36.84	10.10	20.43	33.24	36.23	
PMSA 5640	7	5.47	20.05	14.29	17.58	14.29	23.34	0.00	39.03	71.43	10.28	20.87	28.73	40.12	
PMSA 0875	7	5.47	18.58	0.00	18.93	28.57	23.59	0.00	38.91	71.43	9.38	18.29	29.99	42.33	
PMSA 2281	3	2.34	16.72	66.67	19.15	0.00	28.12	33.33	36.01	0.00	9.74	17.63	33.95	38.68	
PMSA 5660	11	8.59	17.67	0.00	17.38	36.36	25.13	18.18	39.82	45.45	8.09	15.32	25.74	50.86	
PMSA 3640	2	1.56	22.91	0.00	16.23	0.00	21.11	50.00	39.75	50.00	6.37	16.35	30.84	46.44	
PMSA 5015	2	1.56	17.75	0.00	21.42	50.00	27.99	50.00	32.84	0.00	14.35	26.84	32.25	26.56	
PMSA 5190	4	3.13	17.81	0.00	18.41	0.00	24.10	25.00	39.68	75.00	6.80	15.24	27.60	50.35	
PMSA 1160	0	0.00	10.58	0.00	13.53	0.00	18.79	0.00	57.10	0.00	4.17	9.72	17.36	68.75	
PMSA 8040	3	2.34	20.77	33.33	19.64	0.00	20.47	33.33	39.12	33.33	15.77	16.31	22.51	45.42	

Full Review:

(\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(\*\*) Based on 1999 aggregate HMDA data only.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for 66% of loans originated and purchased by the bank.

(\*\*\*\*) Percentage of families is based on the 1990 Census information.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999 DECEMBER 31, 2000			
Metropolitan Statistical Area/Assessment Area	Total Home Mortgage Refinance Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **				
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	Families****	Low	Mod	Mid	Upper
PMSA 5600	394	33.14	25.58	1.02	15.41	13.45	18.26	24.87	40.76	60.66	4.23	11.27	24.11	60.39	
PMSA 5380	268	22.54	16.36	11.94	19.26	28.36	26.30	20.90	38.08	38.81	7.25	22.25	32.27	38.23	
PMSA 5640	94	7.91	20.05	6.38	17.58	19.15	23.34	29.79	39.03	44.68	6.11	18.93	27.92	47.04	
PMSA 0875	120	10.09	18.58	5.00	18.93	19.17	23.59	34.17	38.91	41.67	5.11	16.98	28.69	49.22	
PMSA 2281	31	2.61	16.72	6.45	19.15	12.90	28.12	48.39	36.01	32.26	5.83	17.80	31.84	44.54	
PMSA 5660	100	8.41	17.67	2.00	17.38	16.00	25.13	28.00	39.82	54.00	4.77	15.28	27.99	51.96	
PMSA 3640	25	2.10	22.91	0.00	16.23	16.00	21.11	16.00	39.75	68.00	4.91	13.80	26.69	54.60	
PMSA 5015	23	1.99	17.75	8.70	21.42	30.43	27.99	43.48	32.84	17.39	11.35	26.22	32.19	30.23	
PMSA 5190	62	5.21	17.81	4.84	18.41	19.35	24.10	24.19	39.68	51.61	5.66	15.52	27.10	51.72	
PMSA 1160	6	0.50	10.58	0.00	13.53	0.00	18.79	16.67	57.10	83.33	4.06	9.33	16.84	69.78	
PMSA 8040	66	5.55	20.77	1.52	19.64	12.12	20.47	12.12	39.12	74.24	9.79	18.04	21.90	50.27	

Full Review:

(\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.  
 (\*\*) Based on 1999 aggregate HMDA data only.  
 (\*\*\*) As a percentage of loans with borrower income information available. No information was available for 20% of loans originated and purchased by the bank.  
 (\*\*\*\*) Percentage of families is based on the 1990 Census information.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: CMSA 5602		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000					
Metropolitan Statistical Area/Assessment Area	Total Small Loans To Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Aggregate Data ***		
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 Or Less	> \$100,000 To \$250,000		> \$250,000 To \$1 Million	
Full Review:									
PMSA 5600	4,670	43.73	86.60	60.30	3,928	431	311	115,015	65,653
PMSA 5380	2,698	25.27	88.83	63.23	2,379	203	116	47,594	28,819
PMSA 5640	662	6.20	88.06	57.70	556	64	42	23,450	13,973
PMSA 0875	936	8.77	87.04	55.66	780	95	61	19,960	11,406
PMSA2281	438	4.10	92.60	71.92	387	32	19	3,017	1,914
PMSA 5660	522	4.89	92.32	68.97	439	51	32	3,915	2,368
PMSA 3640	149	1.40	87.55	52.35	127	9	13	5,317	2,910
PMSA 5015	187	1.75	86.88	56.68	148	24	15	8,296	4,785
PMSA 5190	186	1.74	91.01	55.91	147	30	9	12,738	7,655
PMSA 1160	20	0.19	90.45	45.00	19	1	0	957	621
PMSA 8040	210	1.97	87.12	61.43	173	26	11	6,177	3,695

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses. 1999 Dun and Bradstreet data. Six percent of all businesses did not report revenue.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5% of small loans to businesses originated and purchased by the bank.

(\*\*\*) Based on 1999 aggregate small business data only.

(\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.



Table 11. Qualified Investments

QUALIFIED INVESTMENTS		State: CMSA 5602		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					
Metropolitan Statistical Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
PMSA 5600	8	59,378	89	34,164	97	93,542	57	11	29,825
PMSA 5380	1	200	11	37,249	12	37,449	12	0	0
PMSA 5640	2	5,000	6	20	8	5,020	4	1	1,349
PMSA 0875	0	0	3	82	3	82	0	0	0
PMSA 2281	0	0	0	0	0	0	0	0	0
PMSA 5660	0	0	1	4	1	4	0	0	0
PMSA 3640	0	0	2	5	2	5	0	0	0
PMSA 5015	0	0	0	0	0	0	0	0	0
PMSA 5190	0	0	1	4	1	4	0	0	0
PMSA 1160	0	0	0	0	0	0	0	0	0
PMSA 8040	0	0	5	20	5	20	0	0	0
MULTIPLE PMSAs	0	0	3	2,400	3	2,400	18	2	0

Full Review:

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table 12. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000				
Metropolitan Statistical Area/Assessment Area	Deposits					Branches					Branch Openings/Closings				Population			
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies			# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)			% of the Population within Each Geography						
				Low	Mod	Upper			Low	Mid	Upper	Low	Mid	Upper				
															Low	Mod	Upper	
PMSA 5600	74	122	35	5	8	20	89	1	0						15	21	30	34
PMSA 5380	10	90	26	0	14	58	18	5	0						1	15	68	17
PMSA 5640	3	31	9	1	2	14	14	0	0						9	21	38	32
PMSA 0875	5	42	12	0	5	29	8	0	0						4	19	52	25
PMSA 2281	1	13	4	2	2	7	2	0	0						6	12	68	15
PMSA 5660	2	16	5	0	2	8	6	2	1						5	14	51	30
PMSA 3640	1	9	3	0	2	2	5	1	0						2	17	61	20
PMSA 5015	1	6	2	1	1	4	0	0	0						3	18	68	11
PMSA 5190	1	9	3	0	3	3	3	0	0						3	20	45	32
PMSA 1160	0	1	0	0	0	0	1	0	0						0	0	38	62
PMSA 8040	2	7	2	0	3	0	4	0	0						9	24	35	32

Full Review:

**Table 1. Lending Volume**

LENDING VOLUME		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000	
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA***	Home Mortgage		Small Loans To Businesses		Small Loans To Farms		Community Development Loans		Total Reported Loans		% of Rated Area Deposits in MSA/AA**	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
NON-MSAs	100	100	8,766	191	13,452	0	0	3	2,700	294	24,918	100	

(\*\*) Deposit data as of June 30, 2000. Rated area refers to either the state or multistate MSA rating area.

(\*\*\*) Loan data as of December 31, 2000. Rated area refers to either the state or multistate MSA ratings area.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/Assessment Area	#	Total Home Purchase Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) By Tract Income*		
		% of Total**	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	Low	Mod	Mid	Upper
NON-MSAs	71	100.00	0.00	0.00	1.25	1.41	42.84	45.07	55.91	53.52	0.00	1.04	45.74	53.22

(\*) Based on 1999 aggregate HMDA data only.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

(\*\*\*) Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/Assessment Area	#	Total Home Improvement Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) By Tract Income*		
		% of Total**	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	Low	Mod	Mid	Upper
NON-MSAs	6	100.00	0.00	0.00	1.25	0.00	42.84	16.67	55.91	83.33	0.00	1.51	41.88	56.62

(\*) Based on 1999 aggregate HMDA data only.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

(\*\*\*) Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/Assessment Area	Total Home Mortgage Refinance Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
NON-MSAs	21	100.00	0.00	0.00	1.25	0.00	42.84	28.57	71.43	55.91	0.00	1.15	45.09	53.76

(\*) Based on 1999 aggregate small business data only.  
 (\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.  
 (\*\*\*) Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/Assessment Area	Total Multifamily Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	Low	Mod	Mid	Upper
NON-MSAs	2	100	0.00	0.00	3.89	0.00	58.62	50.00	37.49	50.00	0.00	0.00	21.05	78.95

(\*) Based on 1999 aggregate small business data only.  
 (\*\*) Multifamily loans originated and purchased in the MSA/AA as a percentage of all home multifamily loans originated and purchased in the rated area.  
 (\*\*\*) Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by the number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/Assessment Area	Total Small Business Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate Lending (%) By Tract Income*			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper
NON-MSAs	191	100.00	0.00	0.00	1.65	1.05	46.67	37.17	51.68	61.78	0.00	1.21	41.35	57.44

(\*) Based on 1999 aggregate small business data only.  
 (\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.  
 (\*\*\*) Source of data: Dun and Bradstreet. Totals exclude census tracts where zero income or zero population was reported.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		State: NEW YORK STATE										Evaluation Period: January 1, 1999 TO December 31, 2000		
Metropolitan Statistical Area/ Assessment Area	Total Home Purchase Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Families****	% Bank Loans*	% Families****	Low	Mod	Mid	Upper
NON-MSAS	69	100	13.02	0	14.44	15.94	21.29	33.33	51.25	50.72	3.79	12.08	24.22	59.91

(\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinace loans originated and purchased in the rated area.

(\*\*) Based on 1999 aggregate HMDA data only.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for 3% of loans originated and purchased by the bank.

(\*\*\*\*) Percentage of families is based on the 1990 Census information.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/ Assessment Area	Total Home Improvement Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Families****	% Bank Loans*	% Families****	Low	Mod	Mid	Upper
NON-MSAS	1	100	13.02	0.00	14.44	0.00	21.29	0.00	51.25	100	3.96	13.96	24.15	57.92

(\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinace loans originated and purchased in the rated area.

(\*\*) Based on 1999 aggregate HMDA data only.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for 83% of loans originated and purchased by the bank.

(\*\*\*\*) Percentage of families is based on the 1990 Census information.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINACE		State: NEW YORK STATE										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **			
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Families****	% Bank Loans*	% Families****	Low	Mod	Mid	Upper
NON-MSAS	20	100	13.02	0.00	14.44	10.00	21.29	10.00	51.25	80.00	2.39	11.52	23.76	62.33

(\*) Home mortgage refinace loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinace loans originated and purchased in the rated area.

(\*\*) Based on 1999 aggregate HMDA data only.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for 5% of loans originated and purchased by the bank.

(\*\*\*\*) Percentage of families is based on the 1990 Census information.

CRA APPENDIX D  
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**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: NEW YORK STATE		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000					
Metropolitan Statistical Area/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Aggregate Data***		
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1 Million	All	Rev \$1 Million or less
NON-MSAS	191	1.79	92.39	68.59	163	16	12	2,663	1,689

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses. 1999 Dun and Bradstreet data. Six percent of all businesses did not report revenue  
 (\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4% of small loans to businesses originated and purchased by the bank.  
 (\*\*\*) Based on 1999 aggregate small business data only.  
 (\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Qualified Investments**

QUALIFIED INVESTMENTS		State: NEW YORK STATE		Evaluation Period: JANUARY 31, 1999 TO DECEMBER 31, 2000					
Metropolitan Statistical Area/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
NON-MSAS	0	0	2	5	2	5	100	0	0

(\*) Prior period investments are investments made in a previous evaluation period that are outstanding as of the examination date.  
 (\*\*) Unfunded commitments are legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

**Table 12. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS		State: New York		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000											
Metropolitan Statistical Area/Assessment Area	Deposits		Branches		Branch Openings/Closings				Population						
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies			Net Change in Location Of Branches (+ or -)			% of the Population Within Each Geography					
				Low	Mod	Upper	Low	Mod	Upper	Low	Mod	Upper			
NON-MSAS	100	5	100	0	0	1	4	2	0	0	0	0	2	46	52