

PUBLIC DISCLOSURE

OCTOBER 2, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**EUROPEAN AMERICAN BANK
ID 736309**

**ONE EAB PLAZA
UNIONDALE, NEW YORK 11555**

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

INSTITUTION'S CRA RATING: European American Bank is rated **“SATISFACTORY.”**

The following table indicates the performance levels of European American Bank (“EAB”) with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	EUROPEAN AMERICAN BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when determining the overall rating.

EAB's level of compliance with the CRA is based on an evaluation of the performance criteria for large retail institutions specified under the CRA. In summary:

Performance under the lending test is rated “high satisfactory” based primarily on the following findings:

- The number of home purchase, refinance, home improvement and small business loans originated by the bank and its mortgage banking affiliate represented good responsiveness to the credit needs within the bank's assessment area.
- Overall, the geographic distribution of loans reflected good penetration throughout the assessment areas. Although the bank's performance relative to home purchase, refinance, home improvement and small business lending was adequate, the overall performance was enhanced by the geographic distribution of multifamily loans, particularly in PMSA 5600 (New York, NY).
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good, when considering the high housing costs in the assessment areas, which impact HMDA-related loan performance.
- EAB continues to be a leader in making community development loans, which totaled \$241 million.

Performance under the investment test is rated “high satisfactory” based on the following finding:

- The bank had a significant level of qualified investments, totaling \$10.5 million.

Performance under the service test is rated “high satisfactory” based on the following findings:

- The bank's delivery systems were reasonably accessible to essentially all the bank's assessment area, and they did not vary in a way that inconveniences certain portions of the assessment area.
- The bank provided a relatively high level of community development services throughout its assessment area.

DESCRIPTION OF INSTITUTION

EAB is a New York State-chartered corporation and a member of the Federal Reserve System. It is a wholly owned subsidiary of ABN AMRO Bank N.V., headquartered in the Netherlands and one of the world's largest banks with \$460 billion in assets and more than 3,500 locations in 76 countries and territories. EAB subsidiaries relevant to this examination include EAB Mortgage Company, a residential mortgage lender, and EAB Community Development Corporation. As of December 31, 1999, EAB had total assets of \$14.6 billion and total deposits of \$10.6 billion. As of June 30, 1999, branch deposits totaled \$8.5 billion.

The bank operates in two assessment areas, as shown in the map on the following page. The first consists of all of PMSA 5380 (Nassau-Suffolk, NY) and the second consists of a portion of PMSA 5600 (New York, NY) that includes Bronx, Kings, New York, Queens and Richmond Counties. Richmond County was added to the assessment area in December 1999 when the bank opened its first branch there. The assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude any low- and moderate-income ("LMI") geographies.

Within the assessment areas, the bank operated 96 retail branches as of December 31, 1999. Of that total, 69 branches or 72 percent were located in PMSA 5380 (Nassau-Suffolk, NY) and 27 branches or 28 percent were located in PMSA 5600 (New York, NY). Approximately 62 percent or \$5.3 billion of EAB's branch deposits were in PMSA 5380 (Nassau-Suffolk, NY) while 38 percent or \$3.2 billion were held in PMSA 5600 (New York, NY).

EAB's previous examination, conducted as of March 2, 1998, resulted in an overall rating of "satisfactory." There are no financial or legal factors that would prevent EAB from fulfilling its responsibilities under the CRA.

The following map illustrates EAB's assessment areas.

INSERT

MAP OF ASSESSMENT AREA

HERE

SCOPE OF EXAMINATION

A full review of EAB's performance was conducted using the *Interagency Procedures and Guidelines for Large Retail Institutions* in both assessment areas. Because of the higher concentration of branches, deposits, and lending activity, performance in PMSA 5380 (Nassau-Suffolk, NY) was the most influential in determining the bank's overall rating. All calculations have been rounded to the nearest whole number.

The evaluation of EAB's performance covered the period of January 1, 1998, through December 31, 1999, and included home purchase loans, refinancings of such loans ("refinancings"), home improvement loans and multifamily loans as reported under Regulation C--Home Mortgage Disclosure Act ("HMDA"). In addition, small business loans and community development loans reported under the CRA and investment test and service test activity were evaluated for the same period. Activity in Richmond County was not included because of the very short time the branch has been open.

EAB Mortgage, was responsible for originating and purchasing all home purchase and refinance loans. The bank originated home improvement, multifamily and small business loans. Approximately 23 percent of EAB Mortgage's activity represents purchased loans from third parties.

For evaluation of the geographic distribution of loans, geographies were classified on the basis of the Census Bureau's 1990 Census data. The distribution of loans to borrowers of different income levels was determined based on 1998 and 1999 Department of Housing and Urban Development ("HUD") estimated median family income data, as applicable.

Examiners met with three community organizations for this examination. Examination contacts included one community development corporation and two housing agencies operating in EAB's assessment areas.

As part of the CRA examination, examiners verified the integrity of the HMDA and small business data reported by the bank in 1998 and 1999. While it was determined that HMDA data was accurate, errors were found in small business reporting for both years. Management corrected the data for use at this examination. The bank's Public File contains corrected information for both years.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

EAB’s record of meeting the credit needs of its assessment areas through its lending performance is rated “high satisfactory.”

Lending Activity: Lending activity reflected a good response to assessment area credit needs. During the examination period, EAB and its mortgage affiliate originated or purchased 9,992 loans equaling approximately \$1.7 billion, as described in the table below. EAB Mortgage was responsible for 61 percent of all originations or purchased loans and 67 percent of the dollar value. Of total activity, 68 percent of the number and 75 percent of the dollar value were HMDA-related loans. Most lending activity occurred in PMSA 5380 (Nassau-Suffolk, NY) where 62 percent of loans were originated or purchased.

EXHIBIT 1				
Summary of Lending Activity				
EAB and Affiliates				
January 1, 1998 – December 31, 1999				
Loan Type	#	%	\$(000s)	%
HMDA home purchase	3,994		\$758,385	
HMDA refinancings	2,081		399,258	
HMDA home improvement	626		2,831	
HMDA multifamily	52		130,041	
Total HMDA-related	6,753	68	\$1,290,515	75
Total small business	3,239	32	\$424,913	25
TOTAL LOANS	9,992	100	\$1,715,428	100

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

Home improvement lending reflected only loans originated under special energy loan programs in conjunction with Brooklyn Union Gas and Keyspan Energy, as well as the Home Improvement Program in conjunction with the New York Department of Housing Preservation and Development (“HPD”). Management indicated that most home improvement credit needs are financed through the bank’s home equity product lines and are not categorized as home improvement loans for the purpose of HMDA reporting.

Assessment Area Concentration: A substantial portion of the bank's loan originations were made within its assessment areas. As previously noted, the bank itself originates only home improvement, multifamily and small business loans. The bank's mortgage subsidiary financed home purchase loans and refinancings, which are not considered when analyzing the level of the bank's lending in its combined assessment area.

Specifically, 98 percent of the number and 95 percent of the dollar value of the bank's loans were originated within its assessment areas, as shown below.

EXHIBIT 2								
Lending Inside and Outside The Assessment Area								
January 1, 1998 – December 31, 1999								
	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
HMDA home improvement	617	99	2,786	98	9	1	45	2
HMDA multifamily	45	87	111,581	86	7	13	18,460	14
Total HMDA-related	662	98	114,367	86	16	2	18,505	14
Total small business	3,180	98	414,159	97	59	2	10,754	3
TOTAL LOANS	3,842	98	528,526	95	75	2	29,259	5

Geographic Distribution: Overall, the geographic distribution of loans across census tract income levels was good when considering the geographic distribution of multifamily loans, which enhanced the distribution of the bank's other HMDA-related loans. The impact of multifamily loans was most important in the PMSA 5600 (New York, NY) assessment area where 69 percent of occupied housing units are rentals. Small business loans reflected a good distribution among the various income geographies.

Borrower Characteristics: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good when considering performance context issues relative to HMDA-related lending. Within the assessment areas, housing prices are disproportionately high in comparison to income levels, making homeownership difficult for most LMI borrowers.

Community Development Lending: The bank had an excellent level of community development loans during the examination period. Overall, community development loans totaled \$241 million. Of the total, 56 percent of loans (\$135 million) were directed toward affordable housing initiatives, a pressing need in both of the bank's assessment areas. Approximately 18 percent or \$42 million of community development lending was directed toward revitalization and stabilization efforts, 17 percent or \$41 million toward economic development, and 9 percent or \$22 million toward community services. Many of the community development loans were complex in nature requiring coordination with multiple governmental agencies.

INVESTMENT TEST

The bank's performance under the investment test is rated "high satisfactory." Overall investments during the examination period totaled \$10.5 million. Investments primarily included complex low-income housing tax credits that help provide affordable rental housing. As noted above, this is an important need in the bank's assessment areas, principally in the PMSA 5600 (New York, NY) assessment area.

Overall, investments directed toward affordable housing initiatives totaled \$6 million or 57 percent of the total; community service investments totaled \$3.3 million or 31 percent; and investments directed toward economic development initiatives totaled \$1.2 million or 11 percent.

SERVICE TEST

EAB's rating on the service test is "high satisfactory." Delivery systems were reasonably accessible to essentially all portions of the assessment areas, as were alternative delivery systems such as automated teller machines ("ATMs") and telephone and computer banking. The bank's record of opening branches enhanced its ability to serve LMI communities, especially in the PMSA 5600 (New York, NY) assessment area. Business hours were reasonable, and services were offered consistently among the various branch locations.

The level of community development services -- including technical assistance, seminars, and participation in the Federal Home Loan Bank's ("FHLB") affordable housing initiatives -- was excellent. EAB participates in the Affordable Housing Program ("AHP") and the First Home Club programs sponsored by the FHLB. Under the AHP, the bank disburses and monitors FHLB subsidies for approved housing developments directed toward very low-, and low- and moderate-income families and individuals. Under the First Home Club program, directed to first-time home buyers in the same income categories as AHP, the bank administers savings accounts to which the FHLB contributes matching funds based on the level of the account holder's deposits. First Home Club programs are initiated in conjunction with local community organizations. During the examination period, the bank partnered with six community organizations and enrolled a total of 79 participants.

COMPLIANCE WITH FAIR LENDING LAWS

No credit practices were identified that violated the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), the Fair Housing Act, the Home Mortgage Disclosure Act (Regulation C), and all relevant agency regulations pertaining to nondiscriminatory treatment of credit applicants.

METROPOLITAN AREAS

PMSA 5380 (NASSAU-SUFFOLK, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PMSA 5380 (NASSAU-SUFFOLK, NY)

As of December 31, 1999, EAB operated a network of 69 branches and 86 ATMs in the PMSA. The branches located in PMSA 5380 accounted for \$5.3 billion in deposits or 62 percent of the bank's total branch deposits as of June 30, 1999.

PERFORMANCE CONTEXT

EAB's performance in PMSA 5380 (Nassau-Suffolk, NY) was evaluated in terms of the economic, demographic and competitive context in which the bank operates. The PMSA is a very competitive financial marketplace where many non-financial institution lenders compete with local as well as multinational banks operating in the area. Primary bank competitors include Chase Manhattan Bank ("Chase"); Fleet Bank, N.A.; Dime Savings Bank of New York, FSB; Astoria Federal Savings & Loan; and North Fork Bank.

Based on deposits reported to the Federal Deposit Insurance Corporation ("FDIC") on June 30, 1999, EAB's branch deposits represented 9 percent of all bank branch deposits in the PMSA. For the year 1999, EAB had 2.5 percent of all reported small business loans and 2 percent of reported HMDA home purchase and refinance loans in the PMSA. American Express Centurion Bank and Capital One, FSB, dominate the small business loan market. Together, they represented 23 percent of all reported small business loans in 1999. Of financial institution lenders, Chase was the market leader with 9 percent of reported loans. HMDA market leaders include Chase (4.7 percent), Norwest Mortgage (4 percent), and Standard Federal Bank (4 percent).

Demographic and economic information also impact the bank's performance context and is discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census, 1990, the U.S. Department of Labor, and the New York State Department of Labor.

Demographic Characteristics

PMSA 5380, which includes Nassau and Suffolk Counties, has a population of approximately 2.6 million or 15 percent of the New York State population and constitutes 27 percent of the bank's combined assessment area population, according to the 1990 Census. While the population is about evenly divided between the two counties in the PMSA, Nassau County, which is about one-third the geographic size of Suffolk County, is the most densely populated.

Income Characteristics

The 1990 Census placed median family income for the PMSA at \$56,726, which is significantly higher than the New York State median family income of \$39,721. Higher income levels are found in Nassau County, where the 1990 median family income is \$60,813 compared with median family income of \$53,380 in Suffolk County. Approximately 38 percent of the families in PMSA 5380 are upper-income, 26 percent are middle-income, 19 percent are moderate-income and 16 percent are low-income. In the PMSA, about 3 percent of the families live below the poverty line. The 1999 HUD estimated median family income for the PMSA is \$73,300.

The PMSA contains 574 census tracts used in the housing analysis, with most of the tracts located in Suffolk County. Of these census tracts, 84 or 15 percent are LMI tracts. About 74 percent of the LMI tracts are found in the Suffolk County portion of the PMSA, particularly in Babylon, Brookhaven, Islip, Riverhead and Southampton. The LMI census tracts in Nassau County are generally limited to the town of Hempstead.

Housing Characteristics

Of the 927,609 housing units in the PMSA, 687,506 or 74 percent are owner-occupied while 168,728 or 18 percent are rental units. One- to four-family units represent 90 percent of all housing structures. Only about 12 percent of owner-occupied units are located in LMI census tracts, limiting lending opportunities. According to the 1990 Census, the median housing value in the PMSA is \$186 thousand, with higher values (\$208 thousand) found in Nassau County and lower values (\$165 thousand) in Suffolk County. According to the New York State Association of Realtors, housing prices have escalated in the area. At the end of 1998, the association reported an average sale price for a single-family home of \$234,400 in Nassau County and \$182,200 in Suffolk. By the end of 1999, the average price was \$268,400 and \$190,300, respectively.

Such high housing prices place a burden on LMI families who, according to community contacts, need affordable housing options and assistance with down payment and closing costs. However, the number of community organizations operating in the assessment area is somewhat limited.

Labor, Employment and Economic Characteristics

Over the last 50 years, Nassau County has evolved from a bedroom community with strong ties to New York City into a densely developed county with a strong economic base. Western Suffolk County has become a high technology center with an expanding biotech market. The eastern part of Suffolk County remains known for its farming, fishing and resort communities. Long Island experienced positive private sector job growth, and during 1999 the number of jobs increased by 30,300 or 2.6 percent. The unemployment rate is 2.9 percent as of December 1999, compared with 2.5 percent in December 1998. The December 1999 unemployment rate in New York State is 4.8 percent, while that of the U.S. is 4.1 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PMSA 5380 (NASSAU-SUFFOLK, NY)

LENDING TEST

In PMSA 5380 (Nassau-Suffolk, NY), EAB's performance under the lending test was good.

Lending Activity: EAB's lending activity reflected a good response to assessment area credit needs in the PMSA when considering the bank's presence in the assessment area and the competitive environment. Overall, activity in PMSA 5380 (Nassau-Suffolk, NY) represented 62 percent of the number and 55 percent of the dollar amount of HMDA-related and small business loans analyzed at this examination. Most of the lending (65 percent) in the assessment area was HMDA-related. Specifically, during the examination period, EAB and affiliate EAB Mortgage Company originated or purchased 2,139 home purchase loans, 2,128 small business loans, 1,391 refinancings, 496 home improvement loans, and 5 multifamily loans in the PMSA. The low level of multifamily loans reflects the predominance of single-family homes in the assessment area.

EAB maintains 72 percent of its branches in PMSA 5380 (Nassau-Suffolk, NY), accounting for 62 percent of total branch deposits.

Geographic Distribution of Lending: Based on overall performance in moderate-income geographies, the geographic distribution of the bank's loans was good. With only 298 of the assessment area's 81,465 owner-occupied housing units, and 63 of 14,708 business establishments in low-income geographies, opportunity for lending in the five low-income geographies in the PMSA is minimal. Data used to evaluate EAB's geographic distribution of loans is contained in Exhibits 3 through 6.

Home Purchase Lending

The geographic distribution of home purchase loans was good. During the examination period 10 percent of the bank's home purchase loans in PMSA 5380 (Nassau-Suffolk, NY) were in moderate-income geographies, while 12 percent of owner-occupied housing units in the assessment area are located in such geographies. This performance lagged behind the aggregate and a group of similarly situated financial institutions, which both reported 15 percent of originations in LMI geographies during EAB's examination period. Consistent with the above discussion of lending opportunities, the bank had no home purchase loans in low-income geographies.

Refinancings

The geographic distribution of refinancings was adequate. During the examination period 8 percent of the bank's refinancings in PMSA 5380 (Nassau-Suffolk, NY) were in moderate-income geographies where 12 percent of owner-occupied housing units are located. As with home purchase loans, EAB had no loans in low-income geographies, and its performance lagged behind that of the aggregate and a group of similarly situated financial institutions, which both reported 13 percent of loans in LMI geographies during EAB's examination period.

Home Improvement Loans

The geographic distribution of home improvement loans was poor, but home improvement loans totaled only 496 or 12 percent of HMDA-related lending analyzed at this examination for PMSA 5380 (Nassau-Suffolk, NY). Therefore, such performance did not significantly impact the conclusion relative to the bank's overall geographic distribution of lending in the assessment area. As noted in the Scope section on page BB6, these loans represent only originations under special programs and do not reflect all the bank's efforts to meet home improvement credit needs.

During the examination period, 4 percent of the bank's home improvement loans in this PMSA were originated in moderate-income geographies, which contain 12 percent of the assessment area's owner-occupied housing units. While this performance was consistent with similarly situated lenders, it lagged substantially behind the aggregate.

Small Business Loans

The geographic distribution of small business loans reflected good penetration throughout the assessment area. During the examination, 11 percent of the bank's small business loans in PMSA 5380 (Nassau-Suffolk, NY) were originated in LMI geographies, which contain 14 percent of all business establishments in this assessment area. The bank originated less than 1 percent of such loans in low-income geographies, which contain less than 1 percent of the businesses in the assessment area.

EAB's small business loan performance was slightly less than that of the aggregate and a group of similarly situated financial institutions. Both groups originated 13 percent of their loans in LMI geographies during the bank's examination period.

Borrower Characteristics: The overall distribution of loans among individuals of different income levels and businesses of different sizes was good. The distribution of HMDA-related loans was acceptable given the significant gap between income levels and housing costs in the PMSA, as detailed in the performance context. Conclusions regarding HMDA-related loan performance were based primarily on lending to moderate-income borrowers since the aforementioned gap generally puts homeownership beyond the reach of most low-income borrowers who, in 1999 would have earned, at most, \$36,650. Exhibits 7 through 10 contain data used to evaluate the distribution of EAB's loans.

Home Purchase Lending

The distribution of home purchase loans to LMI borrowers in the assessment area was acceptable, given the performance context. For the examination period, 26 percent of EAB's home purchase loans were to LMI borrowers while LMI families represent 36 percent of the families in the assessment area. Lending to moderate-income borrowers was good, representing 20 percent of all home purchase loans, while moderate-income families represent 19 percent of families in the assessment area. Such performance was somewhat less than the aggregate and a group of similarly situated lenders during the same time period.

Lending to low-income borrowers was limited to 5 percent of total home purchase originations, while low-income borrowers constitute 16 percent of families in the assessment area. This performance was consistent with that of the aggregate, indicating the difficulty of home purchase lending to such borrowers in the PMSA.

Refinancings

The distribution of refinancings to LMI borrowers in the PMSA 5380 assessment area was acceptable, given the performance context, however, it lagged behind the aggregate and a group of similarly situated financial institution lenders during the same period.

During the examination period, 22 percent of EAB refinancings were to LMI borrowers while LMI families represent 36 percent of the families in the assessment area. Refinance lending to moderate-income borrowers was good and represented 18 percent of all refinancings. Moderate-income families represent 19 percent of the families in the assessment area. Loans to low-income borrowers represented 3 percent of refinance activity in the assessment area, while 16 percent of families in the assessment area are low-income.

Home Improvement Lending

The distribution of home improvement loans among borrowers of different income levels was also acceptable, given the performance context. EAB originated 21 percent of home improvement loans to LMI borrowers, while LMI families represent 36 percent of the families in the assessment area. Originations to moderate-income borrowers represented 16 percent of such originations, while moderate-income families represent 19 percent of the families in the assessment area. Six percent of home improvement loans were to low-income borrowers. EAB's performance lagged behind the aggregate but closely reflected the performance of a group of similarly situated financial institutions.

Small Business Lending

The bank's record of lending to businesses of different sizes was adequate in the assessment area. Of all small business loans reported, 76 percent were for amounts of \$100 thousand or less. And, of the small business loans in the assessment area, 1,191 or 56 percent were to businesses with gross annual revenues ("GAR") of \$1 million or less. Within the assessment area, 87 percent of businesses have GAR of \$1 million or less. EAB's level of lending to businesses with GAR of \$1 million or less lagged behind that of the aggregate (66 percent) and a group of similarly situated financial institutions (74 percent).

Community Development Lending

The bank had a good level of community development lending in PMSA 5380 (Nassau-Suffolk, NY) considering the limited opportunities available when compared with opportunities in PMSA 5600 (New York, NY). During the examination period, community development lending in PMSA 5380 (Nassau-Suffolk, NY) totaled \$33 million. Most of the lending, \$25 million or 75 percent of total community development loans in the assessment area, was directed toward meeting affordable housing needs. Such loans helped to produce at least 295 units of affordable housing, including some designed for the developmentally disabled and senior citizens. Of the remaining community development loans, \$6.4 million was directed toward community service needs and \$1.2 million to revitalization and stabilization efforts.

INVESTMENT TEST

Like community development lending, EAB's investment level in PMSA 5380 (Nassau-Suffolk, NY) was good considering the level of opportunity. Investments totaled \$3.7 million and were directed primarily toward supporting school districts mainly in LMI communities. Economic development assistance was provided through an investment in a small business loan fund.

SERVICE TEST

The bank's service test performance in PMSA 5380 (Nassau-Suffolk, NY) was good.

Retail Services

EAB's branch network was readily accessible to all portions of the PMSA. Of the 69 branch locations in the Nassau-Suffolk assessment area, 10 or 14 percent were located in LMI census tracts. This compares favorably with the demographics of the PMSA where 15 percent of the population resides in

LMI census tracts. During the examination period, eight new branches were opened in the PMSA while one branch was closed. None of the closings occurred in LMI geographies.

A network of 86 bilingual 24-hour ATMs in PMSA 5380 (Nassau-Suffolk, NY) offers an alternative system for delivering banking services in the assessment area. Most ATMs (91 percent) were located in EAB branches while eight machines were located off-site in various schools and retail locations. Of the on-site ATMs, 11 or 14 percent were located in LMI geographies while 2 or 25 percent of the off-site ATMs were in LMI geographies.

Most branch locations offered the same full range of consumer and commercial deposit and loan services. Two locations, 400 Oak Street in Uniondale and 41 Front Street in Hempstead, were limited service locations without a platform staff, and five in-store locations offered retail products only. Regular banking hours were provided between 9 a.m. and 3 p.m. Monday through Friday at all locations. Extended hours, including Thursday evenings, Friday evenings, Saturday or Sunday, were available at 98 percent of branch locations. All branches in LMI geographies offer extended hours.

Community Development Services

EAB provided a high level of community development services in the PMSA 5380 (Nassau-Suffolk, NY) assessment area primarily through seminars and technical assistance to local community development organizations. During the examination period, EAB conducted 27 First Time Home Buyer Programs throughout the assessment area, either at branch locations or in conjunction with community organizations such as Hempstead Hispanics, Long Island Housing Services, Inc., and the Long Island Housing Partnership. As a follow-up to the presentations, participants receive a quarterly newsletter providing current information on housing issues and bank products and events. In addition, 25 seminars were presented on budget and credit and 63 on parent/student financial management. Thirty-two “Money Matter Days” were conducted at various branch locations with EAB lending specialists discussing loan products, answering questions and assisting with applications.

In order to reinforce the bank’s commitment to community-based organizations, EAB engaged in 12 “Power House Programs” during the examination period. These programs, conducted by a task force of EAB employees representing various business lines, are directed toward building expertise and establishing ongoing relationships with community groups that will grow as the community’s needs expand.

EAB management and employees provided technical assistance to over 30 local community development organizations. They participated in programs such as “Weed and Seed,” established by the U.S. Department of Justice to address the need for economic and social revitalization of communities. Under this program, the bank has aided South Huntington, North Amityville and North Bellport. In addition, technical assistance was provided to the Long Island Development Corporation, Long Island Housing Partnership, the Babylon Community Development Corporation and the Community Development Corporation of Long Island. EAB also works with community development

organizations to organize and administer revolving loan funds such as those operated by the Town of Brookhaven Economic Development Corporation and the Community Development Corporation of Long Island.

Under the FHLB's Affordable Housing Program discussed on page BB8, EAB is disbursing and monitoring FHLB subsidies for Strathmore Home Ownership, a development of 20 homes for low-income families in Suffolk. Under the First Home Club program, EAB is partnering with organizations such as the Community Development Corporation of Long Island.

METROPOLITAN AREAS

PMSA 5600 (NEW YORK, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PMSA 5600 (NEW YORK, NY)

As of December 31, 1999, EAB operated 27 branches and 47 ATMs in this PMSA. These branches accounted for \$3.2 billion or 38 percent of the bank's total branch deposits as of June 30, 1999.

PERFORMANCE CONTEXT

Performance in PMSA 5600 (New York, NY) was evaluated in terms of the competitive, economic and demographic context in which the bank operates. The financial marketplace is highly competitive with both financial and non-financial institutions operating in the assessment area. Based on figures reported to the FDIC on June 30, 1999, EAB's branch deposits represented 1.3 percent of all branch deposits in the assessment area portion of the PMSA. For the year 1999 EAB had less than 1 percent of all reported small business loans and 1.6 percent of reported HMDA-related home purchase loans and refinancings reported in the PMSA.

American Express Centurion Bank and Capital One, FSB, which together represent 45 percent of all reported small business loans, dominate the small business market. Of financial institution lenders, Chase was the market leader with 9 percent of reported loans. The mortgage market in the assessment area portion of the PMSA is highly competitive, with 613 reporters providing HMDA data in 1999. Many reporters are mortgage companies unrelated to financial institutions. Primary HMDA lenders include Chase, Citibank and Delta Funding Corporation.

Demographic and economic information also impact the bank's performance context and is discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census, 1990, the U.S. Department of Labor, and the New York State Department of Labor.

Demographic Characteristics

As of the examination date (October 2, 2000), EAB's assessment area portion of PMSA 5600 included New York City's Bronx, Kings, New York, Queens and Richmond Counties. Richmond County was added to the assessment area in December 1999 when EAB opened its first branch there. Because of the limited time the bank has operated in Richmond County during the examination period, the county was not included in the analysis at this examination or in the performance context information.

According to the 1990 Census, the total population of the four-county PMSA 5600 assessment area is approximately 6.9 million, which is about 72 percent of the bank's combined assessment area population. Kings County (Brooklyn) is the most populous county with a population of 2.3 million, followed by Queens County (2 million), New York County (1.5 million) and Bronx County (1.2 million).

Income Characteristics

According to the 1990 Census, the median family income in the assessment area is \$33,247, which is lower than the PMSA median family income of \$37,515 and the overall assessment area median family income of \$40,362. Queens County has the highest median family income with \$40,426, while Bronx County has the lowest with \$25,479. In 1990, the percentage of families in the assessment area with low-, moderate-, middle-, and upper-income are 29 percent, 17 percent, 19 percent and 36 percent, respectively. The 1999 HUD estimated median family for the PMSA has risen to \$53,400.

Of the 2,062 census tracts used in the housing analysis, almost half are in Bronx and Kings Counties. Of the total number of tracts, 36 percent are LMI. Most of the LMI tracts, 324 or 44 percent, are in Kings County, while 26 percent or 192 are in the Bronx, 124 or 17 percent are in New York County, and 13 percent or 95 in Queens County.

Housing Characteristics

There are approximately 2.9 million housing units in the assessment area, but rental units make up 69 percent of housing units overall. In Bronx, New York and Kings Counties, rental units total 79 percent, 75 percent and 70 percent, respectively, of housing units. In Queens County, rental units consist of only 55 percent of housing stock. Of all housing units in the assessment area, approximately 66 percent or 1.9 million units are multifamily structures with five or more units. This is most pronounced in New York and Bronx Counties, where 96 percent and 75 percent, respectively, of housing units are multifamily.

The 1990 median housing value in the assessment area is \$188,935, while median gross rent is \$494. In New York County, the median housing value of \$471,074 far exceeds the assessment area median. Housing prices have increased dramatically in 1998 and 1999. In New York County (below 96th street), 1999 cooperative and condominium prices averaged between \$700 thousand to \$1.9 million, depending on the size of the unit. According to the New York State Board of Realtors, average sale prices of single-family homes in Queens County increased from \$177 thousand at the end of 1998 to \$203 thousand at the end of 1999. A comparison of such prices with the income data discussed above shows that owner-occupied housing is beyond the reach of most LMI borrowers. Affordable housing needs, both owner-occupied and rental, are the focus of many community development organizations operating in the assessment area.

Labor, Employment and Economic Characteristics

Job growth has been strong in the assessment area, particularly in the service and retail sectors. Tourism and a strong financial industry have contributed to this growth. Since December 1998, the number of jobs has increased by 92,100 or 2.5 percent. The New York City unemployment rate is 6 percent as of December 1999 (the lowest in a decade) compared with 8 percent in December 1998. As of December 1999, the New York State unemployment rate is 4.8 percent and the U.S. rate 4.1 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PMSA 5600 (NEW YORK, NY):

LENDING TEST

Performance under the lending test in PMSA 5600 (New York, NY) was good.

Lending Activity: Given the bank's presence in the assessment area and the competitive environment, the volume of the bank's lending activity in the assessment area portion of PMSA 5600 (New York, NY) was good and reflected a responsiveness to the credit needs in this assessment area. The number of HMDA-related and small business loans originated by the bank and its mortgage banking affiliate in the PMSA represents 38 percent of the total number and 45 percent of the total dollar amount of loans analyzed at this examination. In terms of product, EAB or its mortgage affiliate originated or purchased 1,855 home purchase loans, 1,052 small business loans, 690 refinancings, 121 home improvement loans, and 40 multifamily loans.

EAB maintains 28 percent of its branches in this assessment area, which account for 38 percent of total branch deposits.

Geographic Distribution of Lending: The overall geographic distribution of loans in the assessment area portion of PMSA 5600 (New York, NY) was good considering the positive impact of the 40 multifamily loans originated in the assessment area. Of the 40 multifamily loans in the PMSA, 48 percent were in LMI geographies, providing approximately 2,000 units of rental housing, a known need in the assessment area, which has a 69 percent level of renter occupancy as noted in the performance context. Exhibits 3 through 6 contain data used to evaluate the geographic distribution of EAB's loans.

Home Purchase Lending

The geographic distribution of home purchase loans was adequate. During the examination period 11 percent of EAB's home purchase loans in PMSA 5600 (New York, NY) were in LMI geographies, while 14 percent of owner-occupied housing units in the assessment area are located in LMI geographies. This performance was primarily a result of activity in Bronx County where the bank

originated purchase loans for housing units in low-income geographies for which the bank had previously provided construction financing. The performance of both the aggregate and a group of similarly situated financial institutions, reporting 15 percent and 14 percent, respectively, exceeded that of EAB during the bank's examination period.

Refinancings

The geographic distribution of refinancings was adequate. During the examination period, 11 percent of the bank's refinancings in the assessment area portion of PMSA 5600 (New York, NY) were originated in LMI geographies, while 14 percent of owner-occupied housing units in the assessment area are located in LMI geographies. The bank again had strong performance in low-income geographies where 4 percent of such loans were originated. Low-income geographies in the assessment area portion of the PMSA contain 3 percent of the owner-occupied housing units, but 6 percent of refinancings were in moderate-income geographies, where 11 percent of owner-occupied housing units are located.

During the examination period, EAB's performance in the LMI geographies of the assessment area portion of PMSA 5600 (New York, NY) lagged behind that of the aggregate, which originated 18 percent of their loans in such geographies. It also performed less favorably than a group of similarly situated financial institutions.

Home Improvement Loans

The geographic distribution of home improvement loans was excellent; however, performance was based on a small number of loans and therefore had little impact on the overall conclusion for geographic distribution in the PMSA. Only 121 home improvement loans were reported in the assessment area, and of those loans, 3 were in low-income geographies and 26 in moderate-income geographies.

Small Business Loans

The geographic distribution of small business loans was good. During the examination 27 percent of the bank's small business loans in PMSA 5600 (New York, NY) were originated in LMI census tracts, while 29 percent of all business establishments in this assessment area are located in LMI geographies. EAB's performance was best in low-income geographies where the level of lending and business establishments was equivalent.

EAB performance in LMI census tracts exceeded the performance of the aggregate, which originated 25 percent of their loans in such geographies, and it was equal to that of the peer institutions during the bank's examination period.

Borrower Characteristics: The overall distribution of loans among individuals of different income levels and businesses of different sizes was good given the significant gap between income levels and housing costs in the PMSA, as discussed in the performance context. Such gaps had the most impact on performance in New York County where housing prices are higher than in the other counties that constitute the bank's assessment area in the PMSA. Conclusions for HMDA-related lending were based principally on lending to moderate-income borrowers since the relationship between housing costs and income generally makes homeownership an unavailable option to most low-income borrowers in the PMSA. In 1999, low-income borrowers would have earned, at most, \$26,700. Exhibits 7 through 10 contain data used to evaluate the bank's performance.

Home Purchase Lending

The distribution of home purchase loans to LMI borrowers in this assessment area was acceptable, given the performance context. For the examination period, 12 percent of home purchase loans in the assessment area portion of the PMSA were to LMI borrowers while LMI families represent 45 percent of the families in the assessment area. Loans to moderate-income borrowers represent 11 percent of home purchase loans, while moderate-income families represent 17 percent of the families in the assessment area. Lending to low-income borrowers was very limited (three loans). Performance in both low-income and moderate-income geographies was consistent with that of the aggregate and a group of similarly situated financial institutions, indicating the difficulty of lending to such borrowers in the assessment area.

Refinancings

Given the performance context, the distribution of refinancings to LMI borrowers in this assessment area was acceptable. During the examination period, 8 percent of refinancings were to LMI borrowers, while LMI families represent 45 percent of the families in the assessment area. Refinancings to moderate-income borrowers represent 7 percent of the total, and moderate-income families represent 17 percent of the families in the assessment area. Loans to low-income borrowers represent less than 1 percent of all refinancings in the assessment area.

During the examination period, EAB's performance lagged behind that of the aggregate and a group of similarly situated financial institutions, which reported 21 percent and 12 percent of refinancings, respectively, to LMI borrowers. The performance of the aggregate and a group of similarly situated financial institution lenders, however, was inconsistent with the level of owner-occupied housing units in LMI geographies, indicating that the housing cost and income issue negatively impacted the performance of all lenders.

Home Improvement Lending

The distribution of home improvement loans to LMI borrowers in the assessment area portion of PMSA 5600 (New York, NY) was good, given the performance context. EAB originated 29 percent of all loans to LMI borrowers, while LMI families represent 45 percent of the families in the assessment

area. Home improvement loans to moderate-income borrowers (24 percent) compared very favorably with the level of moderate-income families (17 percent) in the assessment area. As with other HMDA-related loans, home improvement loans to low-income borrowers did not compare favorably with the level of low-income families.

Small Business Lending

The bank's record of lending to businesses of different sizes was adequate. Sixty-eight percent of the bank's small business loans were for amounts of \$100 thousand or less. Of all the bank's small business loans originated in the assessment area, 506 or 48 percent were made to businesses with GAR of \$1 million or less. In the assessment area portion of PMSA 5600 (New York, NY), 83 percent of businesses have GAR of \$1 million or less. EAB's performance lagged behind that of the aggregate, which reported 54 percent of loans to such businesses, but exceeded that of similarly situated lenders, which reported 43 percent of loans to such businesses.

Community Development Lending

EAB had an excellent level of community development lending in PMSA 5600 (New York, NY), totaling \$208 million. Of total loans, 53 percent or \$110 million were directed to affordable housing initiatives, primarily for renters. Approximately 40 percent of activity was evenly divided between revitalization and stabilization efforts and economic development. Community service lending represented \$16 million or 8 percent of community development loan activity.

INVESTMENT TEST

Investments in PMSA 5600 (New York, NY) totaled \$6.8 million. Almost all the investment activity was directed toward helping to meet affordable housing needs with low-income housing tax credits through such organizations as the New York Equity Fund and the Community Development Corporation. EAB also had deposits in four local community development financial institutions operating in the PMSA.

SERVICE TEST

The bank's performance under the service test in PMSA 5600 (New York, NY) was good.

Retail Services

EAB's branch network was reasonably accessible to all portions of the PMSA. Of the 27 branches located in the assessment area portion of PMSA 5600, 5 or 19 percent were located in LMI census tracts where 41 percent of the population resides. During the examination period, accessibility was

improved with the opening of four new branches, three of which were in LMI geographies. One branch, located in a middle-income census tract, was closed.

Forty-seven bilingual 24-hour ATM locations in PMSA 5600 (New York, NY) offer an alternative system for delivering banking services in the assessment area. All but three ATM locations were located in EAB branches. Of the branch ATM sites, eight or 19 percent were located in LMI geographies and one of the three off-site locations was in an LMI geography.

The same full range of retail and commercial deposit and loan services were offered at all branch locations except for the in-store branch on Staten Island, which provides retail banking services only. Normal banking hours are 9 a.m. to 3 p.m., with extended evening or weekend hours available at 96 percent of branch locations. All branches in LMI geographies provide extended hours.

Community Development Services

Through seminars and technical assistance to local community-based organizations, EAB provided a high level of community development services in the PMSA 5600 (New York, NY) assessment area. During the examination period, 22 First Time Home Buyer Programs were conducted in the assessment area either at a branch or in conjunction with community organizations such as Brooklyn Ecumenical. As a follow-up to the presentations, participants receive a quarterly newsletter providing current information on housing issues and bank products and events. In addition, 4 seminars were presented on budget and credit and 64 on parent/student financial management. Forty-two “Money Matter Days” were conducted at various branch locations with EAB lending specialists on hand to discuss loan products, answer questions and assist with applications.

In order to reinforce the bank’s commitment to community-based organizations, EAB engaged in six “Power House Programs” during the examination period. Conducted by a task force of EAB employees representing various business lines, these programs are directed toward building expertise and establishing ongoing relationships with neighborhood community groups that will grow as the community’s needs expand.

EAB management and employees provided technical assistance to over 20 local community development organizations including the Greater Jamaica Development Corporation, the New York City Housing Partnership, the Bronx Initiative Corporation and Neighborhood Housing Services of New York City. EAB is also partners with seven community organizations, such as the Bronx Council Economic Development Corporation and the Hunts Point Local Chamber of Commerce, in the operation and funding of local revolving loan funds.

Under the FHLB’s Affordable Housing Program, EAB disburses and monitors FHLB subsidies for Geel Prospect Studios in the Bronx, a development of 70 rental units for very low-income individuals. Under the First Home Club program, EAB participates with five community organizations such as the Cypress Hills Local Development Corporation and Asian Americans for Equality.

EXHIBIT 3

Distribution of Home Purchase Loans Across Census Tract Income Levels

January 1, 1998 – December 31, 1999

Tracts	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	# of Owner-Occupied Units	# of Loans
KINGS	5.02	2.39	20.71	14.34	47.18	33.09	27.10	50.18	215,843	544
BRONX	8.35	26.21	11.59	10.68	42.09	14.56	37.96	48.54	75,820	103
NEW YORK	2.04	0.87	7.68	6.74	7.11	4.62	83.18	87.77	127,973	801
QUEENS	0.29	0.00	5.59	4.18	45.69	28.99	48.43	66.83	306,127	407
PMSA 5600 Total	2.85	2.53	11.08	8.63	38.95	18.87	47.12	69.97	725,763	1,855
SUFFOLK	0.09	0.00	18.56	15.15	67.37	62.18	13.99	22.67	340,347	1,063
NASSAU	0.00	0.00	5.18	4.93	70.07	61.71	24.74	33.36	347,159	1,076
PMSA 5380 Total	0.04	0.00	11.81	10.00	68.73	61.94	19.42	28.05	687,506	2,139
NY 5602 Total	1.48	1.18	11.43	9.36	53.44	41.94	33.64	47.52	1,413,269	3,994
CMSA 5602 Total	1.48	1.18	11.43	9.36	53.44	41.94	33.64	47.52	1,413,269	3,994
Assessment Area	1.48	1.18	11.43	9.36	53.44	41.94	33.64	47.52	1,413,269	3,994

EXHIBIT 4

Distribution of Refinancings Across Census Tract Income Levels

January 1, 1998 - December 31, 1999

Tracts	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	# of Owner-Occupied Units	# of Loans
KINGS	5.02	11.41	20.71	15.22	47.18	28.80	27.10	44.57	215,843	184
BRONX	8.35	12.50	11.59	2.50	42.09	22.50	37.96	62.50	75,820	40
NEW YORK	2.04	1.33	7.68	3.32	7.11	9.97	83.18	85.38	127,973	301
QUEENS	0.29	0.00	5.59	3.03	45.69	32.12	48.43	64.85	306,127	165
PMSA 5600 Total	2.85	4.35	11.08	6.38	38.95	21.01	47.12	68.26	725,763	690
SUFFOLK	0.09	0.00	18.56	13.01	67.37	64.55	13.99	22.43	340,347	584
NASSAU	0.00	0.00	5.18	3.84	70.07	60.72	24.74	35.44	347,159	807
PMSA 5380 Total	0.04	0.00	11.81	7.69	68.73	62.33	19.42	29.98	687,506	1,391
NY 5602 Total	1.48	1.44	11.43	7.26	53.44	48.63	33.64	42.67	1,413,269	2,081

CMSA 5602 Total	1.48	1.44	11.43	7.26	53.44	48.63	33.64	42.67	1,413,269	2,081
Assessment Area	1.48	1.44	11.43	7.26	53.44	48.63	33.64	42.67	1,413,269	2,081

EXHIBIT 5

Distribution of Home Improvement Loans Across Census Tract Income Levels

January 1, 1998 - December 31, 1999

Tracts EAB Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	% of Owner-Occupied Units	% of Loans	# of Owner-Occupied Units	# of Loans
KINGS	5.02	4.23	20.71	32.39	47.18	39.44	27.10	23.94	215,843	71
BRONX	8.35	0.00	11.59	0.00	42.09	37.50	37.96	62.50	75,820	8
NEW YORK	2.04	0.00	7.68	0.00	7.11	0.00	83.18	100.00	127,973	1
QUEENS	0.29	0.00	5.59	7.32	45.69	48.78	48.43	43.90	306,127	41
PMSA 5600 Total	2.85	2.48	11.08	21.49	38.95	42.15	47.12	33.88	725,763	121
SUFFOLK	0.09	0.00	18.56	9.09	67.37	68.18	13.99	22.73	340,347	132
NASSAU	0.00	0.00	5.18	2.20	70.07	74.73	24.74	23.08	347,159	364
PMSA 5380 Total	0.04	0.00	11.81	4.03	68.73	72.98	19.42	22.98	687,506	496
NY 5602 Total	1.48	0.49	11.43	7.46	53.44	66.94	33.64	25.12	1,413,269	617
CMSA 5602 Total	1.48	0.49	11.43	7.46	53.44	66.94	33.64	25.12	1,413,269	617
Assessment Area	1.48	0.49	11.43	7.46	53.44	66.94	33.64	25.12	1,413,269	617

EXHIBIT 6

Distribution of Small Business and Small Farm Loans Across Census Tract Income Levels

January 1, 1998 - December 31, 1999

Tracts EAB Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Business Estab.	% of Loans	% of Business Estab.	% of Loans	% of Business Estab.	% of Loans	% of Business Estab.	% of Loans	% of Business Estab.	# of Loans
KINGS	13.98	29.03	27.91	33.55	41.16	24.52	16.95	12.90	46,928	155
BRONX	32.70	30.16	18.95	12.70	29.52	38.10	18.82	19.05	16,454	63
NEW YORK	8.68	6.62	15.40	12.89	8.88	11.15	67.04	69.34	106,848	574
QUEENS	1.70	3.46	15.59	15.00	50.13	48.46	32.58	33.08	43,037	260
PMSA 5600 Total	10.29	10.55	18.46	16.44	25.90	23.95	45.34	49.05	213,267	1,052
SUFFOLK	0.11	0.47	19.21	15.85	66.38	71.48	14.30	12.21	53,611	852
NASSAU	0.01	0.00	8.08	7.92	65.25	64.26	26.67	27.82	53,772	1,276
PMSA 5380 Total	0.06	0.19	13.64	11.09	65.81	67.15	20.49	21.57	107,383	2,128
NY 5602 Total	6.87	3.62	16.85	12.86	39.27	52.86	37.02	30.66	320,650	3,180

CMSA 5602 Total	6.87	3.62	16.85	12.86	39.27	52.86	37.02	30.66	320,650	3,180
Assessment Area	6.87	3.62	16.85	12.86	39.27	52.86	37.02	30.66	320,650	3,180

EXHIBIT 7

Distribution of Home Purchase Loans Across Borrower Income Levels

January 1, 1998 - December 31, 1999

EAB Assessment Area	Low-income		Moderate- income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
KINGS	32.39	1.29	17.56	14.60	18.96	21.81	31.09	62.29	563,283	541
BRONX	38.76	1.96	17.90	19.61	17.87	33.33	25.47	45.10	291,978	102
NEW YORK	28.80	0.13	13.82	5.07	14.36	14.32	43.02	80.48	305,368	789
QUEENS	18.20	0.78	16.40	17.75	21.68	37.08	43.71	44.39	495,625	383
PMSA 5600 Total	28.61	0.72	16.58	11.40	18.73	22.42	36.08	65.45	1,656,254	1,815
SUFFOLK	18.00	6.45	20.99	21.92	27.55	29.76	33.45	41.87	343,611	1,008
NASSAU	14.74	4.13	17.55	18.90	25.05	26.08	42.66	50.89	346,790	1,016
PMSA 5380 Total	16.36	5.29	19.26	20.41	26.30	27.92	38.08	46.39	690,401	2,024
NY 5602 Total	25.01	3.13	17.37	16.15	20.96	25.32	36.66	55.41	2,346,655	3,839
CMSA 5602 Total	25.01	3.13	17.37	16.15	20.96	25.32	36.66	55.41	2,346,655	3,839
Assessment Area	25.01	3.13	17.37	16.15	20.96	25.32	36.66	55.41	2,346,655	3,839

EXHIBIT 8

Distribution of Refinancings Across Borrower Income Levels

January 1, 1998 - December 31, 1999

EAB Assessment Area	Low-income		Moderate- income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
KINGS	32.39	2.21	17.56	11.60	18.96	22.10	31.09	64.09	563,283	181
BRONX	38.76	2.70	17.90	16.22	17.87	37.84	25.47	43.24	291,978	37
NEW YORK	28.80	0.00	13.82	1.01	14.36	10.40	43.02	88.59	305,368	298
QUEENS	18.20	0.63	16.40	10.69	21.68	28.30	43.71	60.38	495,625	159
PMSA 5600 Total	28.61	0.89	16.58	6.96	18.73	19.26	36.08	72.89	1,656,254	675
SUFFOLK	18.00	5.39	20.99	21.75	27.55	26.58	33.45	46.28	343,611	538
NASSAU	14.74	1.89	17.55	15.79	25.05	28.34	42.66	53.98	346,790	741
PMSA 5380 Total	16.36	3.36	19.26	18.30	26.30	27.60	38.08	50.74	690,401	1,279
NY 5602 Total	25.01	2.51	17.37	14.38	20.96	24.72	36.66	58.39	2,346,655	1,954
CMSA 5602 Total	25.01	2.51	17.37	14.38	20.96	24.72	36.66	58.39	2,346,655	1,954
Assessment Area	25.01	2.51	17.37	14.38	20.96	24.72	36.66	58.39	2,346,655	1,954

EXHIBIT 9

Distribution of Home Improvement Loans Across Borrower Income Levels

January 1, 1998 - December 31, 1999

Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
KINGS	32.39	7.04	17.56	22.54	18.96	36.62	31.09	33.80	563,283	71
BRONX	38.76	0.00	17.90	25.00	17.87	62.50	25.47	12.50	291,978	8
NEW YORK	28.80	0.00	13.82	0.00	14.36	0.00	43.02	100.00	305,368	1
QUEENS	18.20	2.44	16.40	26.83	21.68	39.02	43.71	31.71	495,625	41
PMSA 5600 Total	28.61	4.96	16.58	23.97	18.73	38.84	36.08	32.23	1,656,254	121
SUFFOLK	18.00	8.33	20.99	18.18	27.55	32.58	33.45	40.91	343,611	132
NASSAU	14.74	4.67	17.55	14.56	25.05	38.19	42.66	42.58	346,790	364
PMSA 5380 Total	16.36	5.65	19.26	15.52	26.30	36.69	38.08	42.14	690,401	496
NY 5602 Total	25.01	5.51	17.37	17.18	20.96	37.12	36.66	40.19	2,346,655	617
CMSA 5602 Total	25.01	5.51	17.37	17.18	20.96	37.12	36.66	40.19	2,346,655	617
Assessment Area	25.01	5.51	17.37	17.18	20.96	37.12	36.66	40.19	2,346,655	617

EXHIBIT 10

Distribution of Small Business and Small Farm Loans by Loan Size and Gross Annual Revenues

January 1, 1998 - December 31, 1999

EAB Assessment Area	Small Business and Small Farm Loans			TOTALS			
	<=\$100,000	> \$100,000 <=\$250,000	> \$250,000 <= \$1 Mil	Total # of Loans	% Loans to Bus. w/GAR <=\$1 Mil	# of Bus. Estab.	% of Bus. w/ GAR <=\$1 Mil
	% of Bank Loans	% of Bank Loans	% of Bank Loans				
KINGS	49.03	21.29	29.68	155	43.23	46,928	88.53
BRONX	82.54	4.76	12.70	63	55.56	16,454	89.12
NEW YORK	68.12	12.89	18.99	574	46.34	106,848	77.69
QUEENS	74.62	10.77	14.62	260	53.08	43,037	87.43
PMSA 5600 Total	67.78	13.12	19.11	1,052	48.10	213,267	82.92
SUFFOLK	67.25	15.26	17.49	852	48.00	53,611	87.20
NASSAU	81.43	9.48	9.09	1,276	61.29	53,772	86.81
PMSA 5380 Total	75.75	11.80	12.45	2,128	55.97	107,383	87.01
NY 5602 Total	73.11	12.23	14.65	3,180	53.36	320,650	84.29
CMSA 5602 Total	73.11	12.23	14.65	3,180	53.36	320,650	84.29

Assessment Area	73.11	12.23	14.65	3,180	53.36	320,650	84.29
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EXHIBIT 11

Number of Branches by County/PMSA

As of December 31, 1999

County/PMSA	# of Branches	# of LMI Tracts	% of LMI Tracts
Nassau	44	4	9
Suffolk	25	6	24
PMSA 5380 Total	69	10	15%
New York	13	2	15
Queens	5	1	20
Kings	5	1	20
Bronx	3	1	33
Staten Island	1	0	0
PMSA 5600 Total	27	5	19%
TOTALS	96	15	16%

CRA APPENDIX A
SCOPE OF EXAMINATION

The scope of the examination of EAB is discussed on page BB5.

CRA APPENDIX B

GLOSSARY

Affiliate: Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 nonmetropolitan 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 data such as the race, gender, and income of applicants, 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.

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.

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

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 statistical area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Optional loans: Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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 nonfarm 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.