



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

HSBC Bank USA, N.A.
Charter Number: 24522

1800 Tysons Boulevard
McLean, VA 22102

Office of the Comptroller of the Currency

Large Bank Supervision
250 E Street, SW Mail Stop 6-1
Washington, DC 20219-0001

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, and should not 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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Overall CRA Rating

Institution’s CRA Rating: This institution is rated “**Outstanding**”

The following table indicates the performance level of HSBC Bank USA, N.A. with respect to the Lending, Investment, and Service Tests:

Performance Levels	HSBC Bank USA, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Excellent lending activity in the bank’s full-scope assessment areas (AAs).
- Excellent distribution of loans among geographies of different income levels.
- Good distribution of loans among borrowers of different income levels.
- Community development (CD) lending had a positive impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of community development investments including prior evaluation periods, which are responsive to the AA needs.
- The bank exhibited leadership and used an innovative and complex method to continue investing in Low Income Housing Tax Credits (LIHTCs).
- The bank’s branches are accessible to geographies and individuals of different income levels given consideration of bordering branches in middle- and upper-income geographies.
- HSBC Bank USA, N.A. is a leader in providing community development services that are responsive to the needs of the bank’s AAs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) 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: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States 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 the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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, total number and dollar amount of investments, and branch distribution).

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division (MD): As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): 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 \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

HSBC Bank USA, N.A. (HBUS) was chartered by the OCC on July 1, 2004 and resulted from the merger of HSBC Bank USA, a New York state chartered bank and HSBC Bank and Trust Company (Delaware) N.A., a nationally chartered trust company, into a newly formed national bank. For most of the evaluation period, the bank had its main office in Wilmington, Delaware. In December 2008, an affiliate, HSBC National Bank USA (HNB), was merged into HBUS and the main office was relocated to McLean, Virginia. Primary operational locations are New York City (NYC) and Buffalo, New York. As of June 30, 2009, HBUS had total assets of \$159 billion and net tier one capital of \$13.3 billion. The bank is the principal subsidiary of HSBC USA Inc., an indirectly-held, wholly-owned subsidiary of HSBC North America Holdings Inc., the holding company for all of HSBC's U.S. and Canadian businesses. The ultimate parent, HSBC Holdings Plc, (HSBC) based in London, UK, is ranked as one of the world's largest banking and financial service organizations, with \$2.5 trillion in assets.

The predecessor bank to HSBC Bank USA, Marine Midland, was founded in Buffalo, New York in 1850 to finance the shipping trade along the Great Lakes. HSBC acquired 51% of the bank in 1980 and the remaining 49% in 1987. On December 31, 1999, HSBC acquired Republic National Bank of New York and merged it into HSBC Bank USA. This acquisition significantly increased the bank's presence in New York State, especially New York City, and enhanced the bank's global and private banking activities. The name change to HSBC Bank USA in 1999 was the result of a worldwide re-branding campaign to strengthen recognition of HSBC as a customer-oriented financial service organization.

HBUS provides a full range of banking products and services to individuals, corporations, institutions, and governments, through its personal financial services, private banking, commercial banking and corporate investment banking segments. The bank also offers income tax refund loan and deposit products. The home mortgages originated and purchased by HSBC Mortgage Corporation, an operating subsidiary of HBUS, were considered in evaluating the bank's CRA performance. Other affiliates, through common ownership, considered in evaluating the bank's lending performance include HSBC Mortgage Services Inc., HFC, Beneficial, Decision One Mortgage, Solstice Capital, and HSBC Credit Center. The subsidiaries' activities do not impact the bank's capacity for community reinvestment. There are no financial or legal impediments that would impact the bank's ability to meet its CRA obligation.

HBUS is an interstate bank with nearly four hundred branches in New York and a network of branches in Florida, California, the District of Columbia, Pennsylvania, Washington State, and New Jersey. The bank also has one branch each in Delaware and Oregon. With the merger of HNB, branches in Connecticut, Illinois, Maryland, and Virginia were added to HBUS's footprint. As these branches were acquired at the end of the evaluation period, they were not included in our analysis.

At the previous CRA evaluation dated September 25, 2006, HBUS was rated Satisfactory.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation considered HBUS's HMDA-reportable loans (home purchase, home improvement and home refinance) and small loans to businesses for the calendar years 2006, 2007, and 2008. CD investments and services were evaluated for the period beginning September 26, 2006 and ending September 30, 2009. CD lending was evaluated for the period beginning September 26, 2006 and ending August 31, 2009.

HBUS's volume of small loans to farms was insignificant, which precludes any meaningful analysis and conclusion. Small loans to farms are not part of the bank's strategic focus. Accordingly, this product was not evaluated, nor included in our analysis. Small loans to farms data is presented in the tables in appendix D for informational purposes.

Data Integrity

Examiners tested the accuracy of all the bank's reported data utilized in this evaluation. This testing revealed only minor errors, none of which made the data unreliable for analysis. CD loans, investments, and services were also reviewed to ensure their qualification.

Selection of Areas for Full-Scope Review

In each state and multistate metropolitan area where the bank has an office, at least one assessment area (AA) within that state/multistate metropolitan area was selected for a full-scope review. Refer to the Scope section under each State and Multistate Metropolitan Area Rating section (as applicable) for details regarding how the area was selected.

Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating and state ratings. However, performance in both the New York-Northern New Jersey-Long Island Multistate and the state of New York was weighted considerably more heavily than the other states and drives the overall rating. This reflects the fact that 96% of the bank's deposits are booked in branches located in New York and the NYC/NJ metropolitan area. Likewise, HBUS's lending volume and branch locations are most heavily concentrated there.

The multistate metropolitan area ratings and state ratings are based primarily on those areas that received full-scope reviews. Refer to the Scope section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Other Information

Lending Gap Analysis

We reviewed summary reports and maps and analyzed HBUS's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps. All of the bank's AAs consist of whole geographies, meet the requirements of the CRA regulation, and do not arbitrarily exclude any low- or moderate-income areas.

In/Out Ratio

This analysis was performed at the bank level and does not include affiliate lending being considered under the other performance criteria. During the evaluation period, 96% of the bank's home mortgage loans and 94% of the bank's loans to small businesses were originated within the AAs. This performance was factored into the overall analysis of the geographic distribution of lending by income level of geography.

Low Income Housing Tax Credits (LIHTCs)

The bank exhibited leadership and innovativeness in the development of a complex process in which HBUS sells LIHTCs to an outside investor while retaining the CRA benefits of the original investments. This was done to encourage HBUS's continued investment in LIHTCs, given its current tax position. This process creates current economic value for tax credits that will be generated in the future by having a third party monetize the credits. The investment and corresponding CRA benefits remain with HBUS.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Multistate Metropolitan Area Rating

CRA rating for the New York-Northern NJ-Long Island, NY-NJ-PA Multistate Metropolitan Statistical Area (MMSA) ¹: Outstanding

The lending test is rated: Outstanding

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include

- Excellent lending activity in the AA.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- A good level of CD investments.
- The bank's branches are accessible to geographies and individuals of different income levels given the level of branches located in low-and moderate-income geographies and the proximity of other branches to low-and moderate-income geographies.
- HBUS is a leader in providing CD services that are responsive to the needs of the bank's AAs.

Description of Institution's Operations in New York- Northern NJ- Long Island NY-NJ-PA MMSA

HBUS's operations in the New York-Northern NJ-Long Island MMSA consist of the following metropolitan divisions (MD): New York-White Plains-Wayne, NY-NJ (excluding Passaic County), Nassau-Suffolk, and the Newark-Union (including Essex, Morris and Union counties). The bank recently opened branches in the Edison, NJ MD (Middlesex County only). This last area is too new to perform a meaningful analysis for this evaluation. As of June 30, 2008, bank deposits in the MMSA totaled \$41.6 billion. This represents 50% of HBUS's total domestic deposits. In terms of deposit market share, HBUS ranks fourth at 5.5%. JPMorgan Chase dominates the market with over three times as many branches and a deposit market share of 32.4%. There are 210 FDIC-insured depository institutions in the MMSA. Ranked by

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

deposits, the New York-Wayne White Plains MD area is the largest for the bank. Within the MMSA, 88% of the deposits are concentrated in the New York-Wayne-White Plains MD.

Refer to the market profile for the Multistate in appendix C for detailed demographics and other performance context information for the New York City-Wayne-White Plains MD assessment area that received a full-scope review.

Scope of Evaluation in New York-Northern NJ-Long Island NY-NJ-PA MMSA

In evaluating the multistate area, we conducted a full-scope review of the New York-Wayne-White Plains MD as this area contains the largest number of loans, deposits, and branches. Limited-scope reviews were conducted for the Newark-Union and Nassau-Suffolk MDs.

Home mortgage and small loans to businesses were evaluated. An evaluation of multifamily lending was performed given the volume of this type of lending and the significant number of multifamily dwellings in the AA. However, multifamily lending is not a primary mortgage product. Mortgage lending received greater weight based on the volume of lending. HBUS's volume of small loans to farms was insignificant, which precludes any meaningful analysis or conclusion. Farm lending is not a focus of the bank's lending strategy. Statistics are provided in the tables in appendix D for informational purposes.

In evaluating the bank's performance, we considered the significant affordability barriers that exist in the metropolitan NYC housing market. Although the economic downturn has impacted the market, home prices still remain fairly strong. In the 2nd quarter of 2009, the median home price in the New York-Wayne-White Plains MD was \$425 thousand.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the Multistate New York Area is rated Outstanding. Based on a full-scope review, the bank's performance in the New York-Wayne-White Plains MD is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the Multistate New York Area section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the AA is excellent.

HBUS ranks 4th in deposits with nearly a 6% market share. In overall HMDA lending, the bank ranks 6th with a 5% market share. For home improvement lending, HBUS ranked 2nd with a 10% market share. For home purchase, the bank ranked 6th with a 5.5% market share and for home refinancing, the bank ranked 8th with a 3% market share.

The lending market shares are skewed when compared to the deposit market shares based on the number of lenders and depository institutions. In this AA, there is strong competition for

home mortgage lending. There are 719 lenders, many without a depository presence. There are 173 depository institutions in the AA.

For small loans to businesses, HBUS ranks 6th with a 3% market share by number of loans and 3rd with a 9.6% market share by dollar amount. The three lenders ahead of HBUS by number of loans are primarily nationwide credit card issuers and have a combined market share of 75%. Their individual market shares range from 11% to 40%. It is also noted that in terms of the federal SBA lending program, HBUS ranked 4th in number of loans in the NYC market for the fiscal year ended September 30, 2009.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is excellent. This is based on excellent distribution of both home mortgage loans and small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Multistate New York Area section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is excellent.

For all home mortgage loan products (excluding multifamily loans), the bank's portion of loans in low- and moderate-income geographies exceeds or significantly exceeds the portion of owner-occupied units in those geographies. The bank's market share in low- and moderate-income geographies exceeds its overall market share for all home mortgage loan products.

The portion of multifamily lending in low-income geographies was below the percentage of multifamily units. In moderate-income geographies, the percentage of lending exceeded the percentage of multifamily units. HSBC's market share for multifamily loans was too small for a meaningful analysis.

Small Loans to Businesses

Refer to Table 6 in the Multistate New York Area section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent.

HBUS's portion of small loans to businesses made in both low- and moderate-income geographies exceeded the percentage of businesses that are within those geographies. In both low- and moderate-income geographies, the bank's market share exceeded its overall market share.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level is good. This is based on adequate distribution of home mortgage lending and excellent distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Multistate New York Area section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is adequate, given the high cost of housing and poverty level in the New York-Wayne-White Plains MD. Despite the real estate and economic downturn impacting the U.S. during the evaluation period, recent economic data shows that the median sales price of existing single-family homes in this AA averaged \$425 thousand. Coupled with a poverty level of 17% of the households in the AA, homeownership remains very difficult for most low- and moderate-income borrowers. The updated median family income for the AA indicates that a low-income individual earns no more than \$32 thousand a year and a moderate-income borrower earns no more than \$50 thousand a year.

The percentage of home purchase and home refinance loans to low-income borrowers was substantially below the percentage of low-income families. For home improvement, the percentage of loans to low-income borrowers was significantly below the percentage of low-income families. For all home products, the bank's market shares to both low- and moderate-income borrowers either exceeded or substantially exceeded its overall market share.

Small Loans to Businesses

Refer to Table 11 in the Multistate New York Area section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses of different sizes is excellent.

The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) nearly equaled the percentage of small businesses. Additionally, a large majority of the loans were for \$100 thousand or less indicating the bank's willingness to make small loans to businesses. Based on 2008 peer data, the bank's market share to businesses with revenue of \$1 million or less substantially exceeded its overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in the Multistate New York Area section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans.

CD lending had a positive impact for the Lending Test in the Multistate New York Area. HBUS originated 133 loans and lines of credit totaling \$551 million. Several large loans were originated or renewed to non-profit developers of affordable housing. Affordable housing is a critical identified need of the AA. Of note, HBUS purchased a \$90 million interest, of which \$75 million is allocated to this AA, in a pool of thirty mortgages originated by a non-profit lender. The original mortgages financed the construction of affordable housing for low- and moderate-income individuals.

Product Innovation and Flexibility

HBUS's product flexibility had a positive impact on its Lending Test conclusions. The bank offers flexible loan products directed toward affordable housing. Some of the programs for affordable housing include: the Community Works, Home 97 and My Community Mortgage.

Community Works and Home 97 is designed for borrowers whose income is at or below 80% of the median family income or financing a property in a targeted low- or moderate-income census tract. The program utilizes flexible underwriting guidelines to help potential borrowers who may not qualify using standard underwriting parameters. Additionally, terms of 30 or 40 years are available. In the full-scope area, the bank originated 6,148 loans totaling \$1.6 billion.

My Community Mortgage is a Fannie Mae and Freddie Mac product. The product offers flexible underwriting for qualified buyers. The bank originated 202 loans totaling \$65.6 million.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Nassau-Suffolk and Newark-Union MDs is not inconsistent with the bank's overall outstanding performance under the Lending Test in the Multistate New York Area. Refer to the Tables 1 through 13 in the Multistate New York Area section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the Multistate New York Area is rated high satisfactory. Based on full-scope review, the bank's performance in the New York-Wayne-White Plains MD is good.

Refer to Table 14 in the Multistate New York Metropolitan section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

In the New York-Wayne-White Plains MD, HBUS made 367 investments totaling approximately \$283 million. Of these investments, 340 were made in the current evaluation period, totaling \$188 million. This dollar volume is approximately twice that of current period investments at the prior CRA evaluation. Additionally, the bank had 32 investments totaling \$95 million that were originated in the prior period which remain outstanding, and nearly \$13 million in three

unfunded commitments. These prior period investments and unfunded commitments show the bank's continuing commitment to help meet the community needs of the area. While there continues to be ample opportunities for financial institution investment in CD needs in the AA, competition for these investments remains very strong.

A substantial majority of the dollar volume of the bank's investment transactions was focused on affordable housing, a primary credit need in the AA. These investments include funding for LIHTC projects, mortgage-backed securities comprised solely of mortgages to low- and moderate-income borrowers in the AA, deposits in community development credit unions, and grants to organizations with a mission of developing and fostering affordable housing. HBUS also made investments and grants in the AA that benefited other CD needs, namely community service and economic development initiatives.

Of note is a \$12 million investment, \$8 million of which is allocated to the New York-Wayne-White Plains MD, to a CDFI. This investment is a leveraged structure, which enables the CDFI to have "just-in-time" funding, along with below-market rate financing with flexible refinancing options and/or term loans for the healthcare providers. This is also the largest New Markets Tax Credit transaction solely dedicated to affordable healthcare to low- and moderate-income individuals. In another transaction, the bank invested \$12 million in a LIHTC project located in NYC. This project is a new concept in affordable housing by combining supportive housing for individuals with disabilities and rental housing for low- and moderate-income families.

The bank also made 11 investments and grants totaling \$112 thousand to organizations and funds surrounding the New York multistate area that have the potential to benefit the AAs or the greater regional area in the current evaluation period. There were 10 investments with remaining balances of \$21 million from the prior periods.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Newark-Union and Nassau-Suffolk MDs is stronger than the bank's overall performance in the New York-Wayne-White Plains MD and is considered excellent. This is primarily due to a higher volume of investments. Refer to the Table 14 in the Multistate New York section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the Multistate New York Area is rated high satisfactory. Based on full-scope reviews, the bank's performance in the New York-Wayne-White Plains MD is good.

Retail Banking Services

Refer to Table 15 in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are accessible to geographies and individuals of different income levels, considering the proximity of certain branches to low- and moderate-income geographies. HBUS has 163 branches in the New York-Wayne-White Plains MD. With the exception of one branch in an upper-income geography, all have at least one ATM available, the majority of which accept deposits. The bank also operates 38 off-site ATMs located primarily in hotels and retail stores. Six of these are located in moderate-income geographies.

The distribution of branches in low-income geographies is significantly lower than the percentage of population residing in those geographies. The distribution of branches in moderate-income geographies is somewhat lower than the percentage of population residing in those geographies. However, branches located in middle-and upper-income geographies are convenient to multiple low- and moderate-income geographies providing accessibility to the residents and workers in those geographies. Of 39 branches located in middle-income geographies, seven are located less than one mile from 24 low-income geographies and nine are located less than one mile from 41 moderate-income geographies. This occurs primarily in the Bronx, Rockland, and Westchester Counties. Of 85 branches located in upper-income geographies, 41 are located less than one mile from 71 low-income geographies and 140 moderate-income geographies. This occurs primarily in New York County where geographies are generally small and easily accessible by foot or public transportation. In fact, several upper-income branches are within a city block of a low- or moderate-income geography. Lastly, it should be noted that bank research shows that its customers living in the low- or moderate-income geographies of the New York-Wayne-White Plains MD use branches in middle- or upper-income geographies 48% of the time suggesting that these branches are more convenient to their commuting patterns or place of work.

HBUS's record of opening and closing branches in the AA has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, twelve branches were opened, three in moderate-income geographies, one in a middle-income geography, and eight in upper-income geographies. A total of five branches were closed. One was in a middle-income geography and four were in upper-income geographies.

HBUS has multiple alternative delivery systems which have proven effective in helping to provide retail banking services in the AA. The bank tracked the level of usage of these alternative delivery systems by the income level of the geography where the customer resides allowing us to determine their effectiveness. Alternative delivery systems include HSBC Direct which offers three on-line savings products including a savings account with no fees or minimum balance, certificates of deposit with a \$10 minimum balance, and an on-line electronic payment account with no fees or minimum balance. Other alternative delivery systems include telephone banking and internet banking as well as a Bank-At-Work Program and remote deposit capture for business customers.

Office hours throughout the AA do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and individuals. Many branches offer extended hours one day per week and a large majority of branches have Saturday hours, including branches in low- and moderate-income geographies. Seven branches offer Sunday hours, including one located in a low-income geography.

Community Development Services

HBUS is a leader in providing community development services that are highly responsive to AA needs. Of significant importance is the bank's participation in the Federal Home Loan Bank of New York's (FHLB NY) community development programs. As a member of the FHLB NY, HBUS can provide local non-profits with access to the Affordable Housing Program (AHP), including the First Home Club. AHP activities are highly responsive to AA needs. Affordable housing is a critical need in the AA and in the current economic environment, funding sources for non-profits have declined, making AHP funding even more important.

The AHP provides grant funds for affordable housing development projects, both rental and ownership. Applications for funding must be sponsored by a member bank and all activities related to disposition of funds and monitoring of the project are the responsibility of the sponsoring bank. HBUS continues to monitor seven AHP grants totaling \$2.5 million approved in prior evaluation periods and during the current evaluation period, four HBUS sponsored applications were approved totaling \$3.8 million. This funding will help to provide approximately 160 units of housing affordable to low- and moderate-income persons. For example, one AHP grant totaling \$928 thousand helped a non-profit construct 52 units of affordable rental housing for previously homeless individuals in Brooklyn.

Another segment of the AHP program is the First Home Club. Under this program a low- and moderate-income person opens an Individual Development Account (IDA) for the purpose of buying a home. Accounts are opened and monitored at HBUS and the bank provides the required homebuyer education. During the evaluation period, HBUS employees provided approximately 1,800 hours of technical assistance and homebuyer training for non-profit affordable housing organizations participating in the First Home Club.

Separate from AHP activities, officers and employees provided 760 hours of CD service to 37 organizations operating directly in the AA whose mission meets the definition of community development. A large majority of the time went to organizations that support affordable housing, the most pressing need in the AA. Employees use their financial expertise by serving on the board of directors or advisory committees as well as acting as treasurers, budget and finance committee members, and loan committee members. Also, 275 hours of CD service were provided to five organizations that operate in the New York City region. Four of these organizations support affordable housing. Approximately 325 hours of employee time were dedicated to conducting 227 financial literacy seminars including homebuyer workshops and "Your Money Counts." "Your Money Counts" is a financial literacy program developed by HBUS and includes topics such as banking, credit history, budgeting, and homeownership. Presentations are targeted to low- and moderate-income persons.

Lastly, approximately 1,500 hours of employee time were dedicated to delivering personal finance and economic education training to low- and moderate-income students as part of the bank's public service commitment to the Junior Achievement program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Nassau-Suffolk MD is stronger than its overall high satisfactory rating in the multistate. The

bank's performance in the Newark-Union MD is weaker than the bank's overall performance in the multistate due to the weaker distribution of branches in low- and moderate-income geographies. The weaker performance in the Newark-Union MD did not impact the bank's rating under the Service Test. Refer to Table 15 in the Multistate New York Area section of appendix D for the facts and data that support these conclusions.

State Rating

State of New York

CRA Rating for New York²: Outstanding

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: Outstanding

The major factors that support this rating include:

- Excellent lending activity in the bank's primary AAs.
- Good geographic distribution of loans.
- Good distribution of loans by borrower income.
- CD lending had a neutral impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of CD investments that were responsive to the needs of the AA.
- The bank's branches are readily accessible to geographies and individuals of different income levels given the level of branches located in low-and moderate-income geographies and the proximity of other branches to low-and moderate-income geographies.
- HBUS is a leader in providing CD services that are responsive to the needs of the bank's AAs.

Description of Institution's Operations in New York

The state of New York accounts for a significant majority of HBUS's operations, with 183 branches located here. As of June 30, 2008, statewide deposits (excluding the portion in the multistate MD) of \$25.9 billion represented 31% of the bank's total domestic deposits. When aggregating all of the New York State AAs, HBUS ranks first in deposit market share at 25%. HBUS operates in several metropolitan and non-metropolitan areas within the state. Demographic and economic factors vary significantly between the different AAs.

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the market profile for the state of New York in appendix C for detailed demographics and other performance context information for the Buffalo AA that received a full-scope review.

Scope of Evaluation in New York

We conducted a full-scope review of the Buffalo AA as this area contains the largest number of loans, deposits, and branches. Limited-scope reviews were conducted for the Albany, Binghamton, Elmira, Ithaca, Kingston, Poughkeepsie, Rochester, Syracuse, Utica, and non-metropolitan AAs.

In each AA, home mortgage and small loans to businesses were evaluated. Mortgage lending received greater weight based on the volume of lending. HBUS's volume of multifamily and small loans to farms was insignificant, which precludes any meaningful analysis or conclusion. Multifamily and farm lending are not a focus of the bank's lending strategy. Therefore, these products were not evaluated, nor included in our analysis. Statistics are provided in the tables in appendix D for informational purposes.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in New York is rated high satisfactory. Based on the full-scope review, the bank's performance in the Buffalo AA is good.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the state of New York section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the full-scope area is excellent.

HBUS ranks 1st in both deposits with a 49% market share and HMDA lending with a 15% market share. The bank ranked first in home purchase and home improvement mortgage products. HBUS ranked second in home refinancing behind Countrywide. Although the deposit market share is greater than its overall lending market share, the lending market share is skewed due to the high number of competitive lending institutions. There are 279 mortgage lenders compared to only 19 depository institutions. For small loans to businesses, HBUS ranks 5th with 8.5% market share by number of loans and 2nd in market share by dollar of loans at 23%. By number of loans, four major credit card lenders rank higher with a combined market share of 61%. By dollar of loans, M&T Bank ranks higher at 31%.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is good. This is based on good distribution of home mortgage loans and excellent distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

HBUS's portion of home purchase and home refinancing loans in low-income geographies is lower than the percentage of owner-occupied units. In moderate-income geographies, the percentage of lending is near to the percentage of owner-occupied units. The bank's market share in both low- and moderate-income geographies exceeds the bank's overall market share.

The portion of home improvement loans in both low- and moderate-income geographies exceeds the percentage of owner-occupied units. The bank's market share in low-income geographies exceeds and in moderate-income geographies somewhat below the bank's overall market share.

Small Loans to Businesses

Refer to Table 6 in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

HBUS's portion of small loans to businesses in low- income geographies is near to and in moderate-income geographies exceeded the percentage of businesses that are within those geographies. In both low- and moderate-income geographies, the bank's market share exceeded its overall market share.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level is good. This is based on good distribution of home mortgage lending and excellent distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The percentage of all types of home mortgage loans made to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income significantly exceeded the percentage of moderate-income families. For home purchase and home refinancing, the bank's market shares to low- and moderate-income borrowers either exceeded or substantially exceeded its overall market shares. For home improvement loans, the bank's market share to low-income borrowers was somewhat below and to moderate-income borrowers substantially met the bank's overall market share.

Small Loans to Businesses

Refer to Table 11 in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was near to the percentage of small businesses. Additionally, a large majority of the loans in the AA were for \$100 thousand or less indicating the bank's willingness to make small loans to businesses. Based on 2008 peer data, the bank's market share to businesses with revenue of \$1 million or less substantially exceeded its overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in the state of New York section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

CD lending had a positive impact for the Lending Test in the Buffalo AA. HBUS originated 56 loans and lines of credit, including renewals, totaling \$101 million. Of note was a \$21 million line of credit to a dairy cooperative that will assist in retaining as well as creating jobs in the local area. Additionally, the bank provided a \$5.8 million line that will assist in the construction of 64 low-income rental units. This project has been awarded LIHTC funds and a FHLB NY AHP grant.

The bank also supported community services targeted to low- or moderate-income individuals by committing lines of credit or funding loans to a wide variety of providers.

Product Innovation and Flexibility

HBUS's product flexibility had a positive impact on its Lending Test conclusions. In addition to the flexible products discussed under the New York MMSA, HBUS also offered the Special Home Ownership Program (SHOP) product. SHOP was implemented in the City of Syracuse in 2002 as an effort to help revitalize an economically depressed city. Due to the success of the program, the product was made available in Buffalo as well as other areas. SHOP offers a low- or moderate-income borrower a discounted interest rate or a lender gift up to \$3,500 toward closing costs. During the evaluation period, the bank originated 287 SHOP loans in the full-scope area.

HBUS also offers flexible mortgage lending that targets low- and moderate-income borrowers through the Community Works, Home 97 and My Community Mortgage programs. During the evaluation period, the bank originated 1,480 loans totaling \$110.7 million under these programs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in all of the limited-scope AAs is not inconsistent with the bank's overall high satisfactory performance under the Lending Test in New York. Refer to the Tables 1 through 13 in the state of New York section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in New York is rated outstanding. Based on full-scope review, the bank's performance in the Buffalo AA is excellent.

Refer to Table 14 in the state of New York section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

In the Buffalo AA, HBUS made 118 investments totaling almost \$132 million. Of these investments, 114 were made in the current evaluation period, totaling \$123 million. The dollar volume of investments made in the current period represents a more than tenfold increase from the prior evaluation. The bank also had four investments totaling \$9 million that were originated in the prior period which remain outstanding, and \$2.5 million in one unfunded commitment. The impact of these transactions, along with statewide investments that benefited the AA is excellent.

A substantial majority of the dollar volume of the bank's investment transactions was focused on affordable housing, a primary credit need in the AA. These investments include funding for LIHTC projects, mortgage-backed securities comprised solely of mortgages to low- and moderate-income borrowers in the Buffalo AA, qualifying mutual funds, and grants to organizations with a mission of developing and fostering affordable housing.

The bank was the largest investor in a CRA qualified mutual fund, deploying \$70 million. The fund targets Erie and Niagara Counties, which includes the Buffalo AA. The investment was responsive in financing 434 units of housing affordable to low- and moderate-income individuals.

HSBC was innovative and responsive to the needs of the community in helping to create a high-level partnership between the bank, government offices, and non-profit organizations in the Black Rock neighborhood of Buffalo. This partnership was formed to address the affordable housing and vacancy issues in this low-income neighborhood. HBUS provided \$140 thousand in grants to a non-profit neighborhood housing organization related to this initiative and to help fund their homebuyer education program. HBUS also made \$351 thousand in grants to another community organization focused on affordable housing programs. These grants included funding for homebuyer education programs and donations of bank other real estate properties. HBUS also made investments and grants in the Buffalo AA that benefited other CD needs, namely community service and economic development initiatives.

The bank also made investments and grants to organizations and funds throughout the state of New York, but not located specifically within any of the bank's AAs. These investments and grants have the potential to benefit the AAs or the greater regional area. Twenty-two investments totaling \$767 thousand were made in the current evaluation period and six investments with remaining balances of \$9 million were made in prior periods. Additionally, two investments with unfunded commitments totaling \$1.6 million were made.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Binghamton, Ithaca, Poughkeepsie, Rochester, and Syracuse AAs is not inconsistent with the bank's overall outstanding performance in New York. The bank's performance in the Albany and Non-MSA AAs is weaker than its overall performance in the state, but is considered adequate. This is due to a lower level of investments. In the Elmira, Kingston and Utica-Rome AAs, the bank's performance is weaker than the overall performance in the state, and is considered very poor. This weaker performance is due to a much lower level of investment activity in relation to the respective presence of the bank in these AAs. These three areas combined account for less than one percent of the bank's total deposits. Performance in these AAs was not significant enough to impact the overall rating for New York. Refer to Table 14 in the State of New York section of appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in New York is rated outstanding. Based on the full-scope review, the bank's performance in the Buffalo AA is excellent.

Retail Banking Services

Refer to Table 15 in the New York section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are readily accessible to geographies and individuals of different income levels. HBUS has 60 branches in the Buffalo AA. All but three have at least one ATM. The bank also operates 15 off-site ATMs located at the airport, the arena and universities.

The percentage of branches in low-income geographies exceeds the percentage of population residing in those geographies. The percentage of branches in moderate-income geographies is near to the percentage of population residing in those geographies.

HBUS's record of opening and closing branches in the Buffalo AA has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income. No branches were opened. Four branches were closed. Of those branches, three were in moderate-income geographies and one was in an upper-income geography.

The bank offers a wide range of banking products and services throughout the AA as described in the bank's Public File. They are comparable among branch locations, regardless of the income of the geography. Office hours throughout the AA do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and individuals. Branch hours are tailored to the needs of the specific market in which they are located. Branches are open weekdays from 9:00 AM to either 4:00 or 5:00 PM, and usually offer an additional hour of service on Friday evenings. Multiple branches offer Saturday hours including branches located in low- and moderate-income geographies.

HBUS has multiple alternative delivery systems which have proven effective in helping to provide retail banking services in the AA. Refer to the Retail Banking Services section in the Multistate Metropolitan Area for a description of these systems.

Community Development Services

HBUS is a leader in providing community development services in the Buffalo AA that are responsive to critical AA needs. Of significant importance is the bank's participation in the FHLBNY AHP and First Home Club products described previously in the New York MMSA section of this evaluation. During the current evaluation period, ten sponsored applications were approved totaling \$2.6 million. This funding will help to provide approximately 300 units of housing affordable to low- and moderate-income persons. One AHP grant totaling \$600 thousand helped construct 50 units of affordable housing for very low-income senior citizens in Amherst. The bank continues to monitor six AHP grants totaling \$1.2 million approved in prior evaluation periods. In addition to sponsoring applications, HBUS is responsible for monitoring the approved project and ensuring that the affordable housing project is consistent with its approved program objectives. HBUS employees also provided 300 hours of technical assistance to non-profits in the AHP process. Additionally, employees provided 625 hours of technical assistance and homebuyer training for non-profit affordable housing organizations participating in the First Home Club.

Separate from AHP activities, officers and employees provided 360 hours of CD service to 15 organizations whose mission meets the definition of community development. The majority of these organizations support economic development or community service activities. Employees use their financial expertise by acting as treasurers, budget and finance committee members, and loan committee members. Also, 275 hours were dedicated to conducting 150 financial literacy seminars including homebuyer workshops and "Your Money Counts." Refer to the Community Development Services section under the New York MMSA area for a description of this service. Lastly, 1,200 hours of employee time was dedicated to delivering personal finance and economic education training to low- and moderate-income students as part of the bank's public service commitment to the Junior Achievement program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Albany, Binghamton, Elmira, Ithaca, Non-MSA, Rochester, and Syracuse AAs is not inconsistent with the bank's overall outstanding rating in New York. Performance in the Kingston, Poughkeepsie, and Utica/Rome AAs is weaker than the bank's overall performance in the

state due to the weaker distribution of branches in low- and moderate-income geographies. The weaker performance in these AAs did not impact the state rating under the Service Test. Refer to Table 15 in the state of New York section of appendix D for the facts and data that support these conclusions.

State Rating

State of California

CRA Rating for California³: Outstanding
The lending test is rated: Outstanding
The investment test is rated: Outstanding
The service test is rated: Outstanding

The major factors that support this rating include:

- Excellent lending activity in the AA.
- Excellent geographic distribution of loans.
- Adequate distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of CD investments, including prior period investments and the continuing impact of these investments.
- The bank's branches are readily accessible to geographies and individuals of different income levels.
- HBUS provided an adequate level of CD services that are responsive to the needs of the bank's AAs.

Description of Institution's Operations in California

HBUS operates 28 branches in five AAs in California; 15 are located in the Los Angeles AA, five are located in the San Francisco AA, three each in the San Jose and Oakland AAs, and two in the Santa Ana AA. As of June 30, 2008, statewide deposits of \$3.9 billion represented 4.7% of the bank's total domestic deposits. Within the combined AAs, HBUS ranks 21st out of 227 depository institutions with less than 1% market share.

³ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

We considered the significant affordability barriers that exist in the California housing market. Although housing prices have declined dramatically, Los Angeles remains one of the most expensive housing markets in the country. As of December 2008, the median home sales price was \$354,000. Additionally, California has also been impacted hard by the mortgage crisis and economic recession. As of September 2009, nearly 73% of the for-sale inventory in the Los Angeles AA was comprised of foreclosed homes.

Refer to the market profiles for the state of California in appendix C for detailed demographics and other performance context information for the Los Angeles AA that received a full-scope review.

Scope of Evaluation in California

We conducted a full-scope review of the Los Angeles AA as this area contains the largest number of loans, deposits, and branches. Limited-scope reviews were conducted for the San Francisco, Oakland, San Jose, and Santa Ana AAs.

Home mortgage and small loans to businesses were evaluated. Mortgage lending received greater weight based on the volume of lending. HBUS's volume of multifamily and small loans to farms was insignificant, which precludes any meaningful analysis or conclusion. Therefore, these products were not evaluated, nor included in our analysis. Statistics are provided in the tables in appendix D for informational purposes.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in California is rated outstanding. Based on the full-scope review, the bank's performance in the Los Angeles AA is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the state of California section of appendix D for the facts and data used to evaluate the bank's lending activity.

HBUS's lending activity is excellent.

During the evaluation period, approximately 87% of the loans originated in the Los Angeles AA were for home mortgage and 13% were to businesses. HBUS ranks 18th with a 0.95% deposit market share and 11th in home mortgage loans with a 1.4% market share. For home purchase, the bank ranks 12th with a 1% market share, 7th for home improvement with a 3.7% market share, and 12th for home refinance with a 1.3% market share. The competition for home mortgage lending is extremely high as demonstrated by the 840 lenders in the bank's AA, many without a depository presence. By comparison, there are 146 depository institutions in the AA. In small loans to business lending, the bank has a very minimal market share in both number and dollar of loans. This is a very competitive market with 194 business lenders.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is excellent. This is based on excellent distribution of home mortgage loans and good distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of home mortgage loans is excellent. For all home loan products, the percentage of lending in both low- and moderate-income geographies either exceeded or significantly exceeded the percentage of owner-occupied units in those geographies. The bank's market shares in low- and moderate-income geographies exceeded or substantially met (low-income, home purchase and low- and moderate-income home refinance) the bank's overall market share.

Small Loans to Businesses

Refer to Table 6 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good.

In low-income geographies, HBUS's portion of small loans to businesses exceeded the percentage of businesses in those geographies. HBUS's portion of small loans to businesses in moderate-income geographies was below the percentage of businesses that are within those geographies. The bank's market shares in both low- and moderate-income geographies are too small for a meaningful analysis.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level of the borrower is adequate. The distribution of both home mortgage loans and small loans to businesses is adequate.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Previously mentioned is a significant performance context issue relating to affordable housing in California. The cost of housing in California remains among the highest in the country. As such, this presents severe challenges for a financial institution to lend to either low- or moderate-income borrowers so that demographic parity (the proportion of a lender's loans made to low- or moderate-income borrowers versus the percentage of such borrowers in that

AA) is attained. Accordingly, our analysis and final conclusions for the Los Angeles AA are tempered to reflect this performance context.

HBUS's portion of home purchase and home refinance loans to low-and moderate-income borrowers is significantly lower than the percentage of families in those categories. For home purchase loans, the bank's market shares are too small for meaningful analysis. For home refinance loans, the bank's market share to low-income borrowers was below and to moderate-income borrowers was somewhat below the overall market share.

The percentage of the bank's home improvement lending to low-income borrowers was significantly below the percentage of low-income families and to moderate-income borrowers was somewhat below the percentage of those families. However, the bank's market share to both low- and moderate income borrowers significantly exceeded the overall market share.

Small Loans to Businesses

Refer to Table 11 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of small loans to businesses of different sizes is adequate, given the competition in the AA.

HBUS's portion of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. As noted earlier, there are 194 lenders making small loans to businesses in this AA. Additionally, economic reports suggest that 93% of small businesses operate from a single location and a significant majority of these businesses are home based businesses that do not seek traditional bank financing to support business growth. It should be noted that a substantial majority (92%) of the bank's loans were for \$100 thousand or less indicating the bank's willingness to make small loans to businesses. The bank's market share to businesses with revenue of \$1 million or less is too small for a meaningful analysis.

Community Development Lending

Refer to Table 1 Lending Volume in the state of California section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

HBUS's level of CD lending had a positive impact upon its performance under the Lending Test in the Los Angeles AA. HBUS originated 12 CD loans in the Los Angeles area, totaling \$23.4 million. The majority of the loans helped to fund affordable housing targeted to low- and moderate-income people. Affordable housing is an identified community credit need in the AA.

Specific examples include a \$7.8 million facility to a non-profit financial intermediary that funds developers, builders, and other non-profits that create and maintain affordable housing. The

bank also provided a \$5 million loan to help establish a new loan fund. Proceeds will be used for acquisition and predevelopment of affordable housing development. The fund's goal is to create approximately 6,000 units of affordable housing. This loan also was structured with flexible terms.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusions for the Los Angeles AA. HBUS offers flexible mortgage lending that targets low- and moderate-income borrowers through the Community Works, Home 97 and My Community Mortgage programs. During the evaluation period, HBUS originated 1,227 loans totaling \$396 million.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Oakland, San Francisco, San Jose, and Santa Ana AAs is not inconsistent with the bank's overall outstanding performance under the Lending Test in California. Refer to the Tables 1 through 12 in the state of California section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in California is rated outstanding. Based on a full-scope review, the bank's performance in the Los Angeles AA is excellent.

Refer to Table 14 in the state of California section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

HBUS has made total investments in the Los Angeles AA of nearly \$24 million, including those of prior evaluation periods. These investments together equate to 6.5% of Tier 1 allocated capital. In the current period, HBUS made over 88 investments and grants totaling almost \$12 million in this AA during the evaluation period. The majority of prior period investments consist of LIHTC's, which help to continue to fund affordable housing for low- and moderate-income individuals. Affordable housing remains a critical need in the AA. In the current period, HSBC committed \$5 million to a fund providing flexible financing for the acquisition, development, construction and preservation of rental and ownership units in Los Angeles. Additionally, the bank provided approximately \$1.3 million in grants to various organizations that promote small business growth in low- and moderate-income areas and an additional \$167 thousand to a Small Business Investment Company.

The bank also made investments and grants to organizations and funds surrounding the bank's AAs. In the broader regional area with potential to benefit the AAs, four investments totaling \$775 thousand were made in the current evaluation period. Eleven investments with remaining balances of \$35 million were made in prior evaluation periods. In the broader regional area with no potential to benefit the AAs, the bank had three investments totaling

\$125 thousand were made in the current evaluation period, and six investments with remaining balances of approximately \$21 million outstanding from prior evaluation periods.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Oakland, San Francisco AAs is not inconsistent with the bank's overall outstanding performance under the Investment Test in California. Performance in San Jose and Santa Ana are weaker than the overall performance due to the small volume of investments. The weaker performance did not impact the state's rating under the Investment Test. Refer to the Table 14 in the state of California section of appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in California is rated outstanding. Based on the full-scope review, the bank's performance in the Los Angeles AA is excellent.

Retail Banking Services

Refer to Table 15 in the state of California section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are readily accessible to geographies and individuals of different income levels, considering the proximity of certain branches to moderate-income geographies.

The percentage of branches in low-income geographies exceeds the percentage of population residing in those geographies. The percentage of branches in moderate-income geographies is lower than the percentage of population residing in those geographies. However, some branches located in middle-and upper-income geographies are convenient to multiple moderate-income geographies providing accessibility to the residents of those geographies. Three branches in middle-income geographies are located near moderate-income geographies. In two instances, the distance is only one-tenth and two-tenths of a mile, respectively, from a moderate-income geography. In the remaining instances the distance is approximately one-half to three-fourths of a mile from different moderate-income geographies. Also, one upper-income geography is near four different moderate-income geographies and generally less than three-quarters of a mile away. Also, it should be noted that bank research shows that its customers living in the low- or moderate-income geographies of the Los Angeles AA use branches in middle- or upper-income geographies 65% of the time suggesting that these branches are more convenient to their commuting patterns or place of work.

HBUS's record of opening branches in the Los Angeles AA has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Six branches were opened. One is located in a moderate-income geography while three are located in middle-income geographies and two in

upper-income geographies. One new branch in a middle-income geography is, however, adjacent to five moderate-income geographies. No branches were closed during the evaluation period.

The bank offers a wide range of banking products and services throughout the AA as described in the bank's Public File. They are comparable among branch locations, regardless of the income of the geography. Office hours throughout the AA do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and individuals. Branches are open weekdays from 9:00 AM to either 4:00 or 5:00 PM, and usually offer an additional hour of service on Friday evenings. Multiple branches offer Saturday hours including one branch in a low-income geography and one in a moderate-income geography.

HBUS has multiple alternative delivery systems which have proven effective in helping to provide retail banking services in the AA. Refer to the Retail Banking Services section in the New York MMSA for a description of these systems.

Community Development Services

HBUS provided an adequate level of CD services during the evaluation period. Officers and employees provided over 300 hours of CD service to 18 organizations whose mission meets the definition of community development. An additional 45 hours were provided to three organizations that operate statewide or in the broader regional area. The majority of local organizations support affordable housing or provide community services such as after school programs or financial literacy and homebuyer programs for low- and moderate-income persons. The regional and statewide organizations generally focus on economic development efforts such as the non-profit small business development corporation where an HBUS employee sits on the loan committee. All of these efforts are responsive to AA needs considering the high foreclosure and unemployment rates.

Lastly, 1,000 hours of employee time was dedicated to delivering personal finance and economic education training to low- and moderate-income students as part of the bank's public service commitment to the Junior Achievement program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the San Francisco and Santa Ana AA is not inconsistent with the bank's overall outstanding performance in California. Performance in the Oakland, San Jose, and Santa Ana AAs is weaker than the bank's overall performance due to the weaker distribution of branches in low- and moderate-income geographies. The weaker performance in the Oakland and San Jose AAs did not impact the state's rating under the Service Test.

Refer to Table 15 in the state of California section of appendix D for the facts and data that support these conclusions.

State Rating

State of Florida

CRA Rating for Florida⁴: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: High Satisfactory

The major factors that support this rating include:

- Excellent lending activity in the AA.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of CD investments including those from prior periods and the continuing impact of these investments.
- The bank's branches are accessible to geographies and individuals of different income levels given the level of branches located in low-and moderate-income geographies and the proximity of other branches to low-and moderate-income geographies.
- A high level of CD services that are responsive to the needs of the bank's AA.

Description of Institution's Operations in Florida

HBUS's operations in Florida are limited to the state's southeast coast, encompassing Miami-Dade, Broward, and Palm Beach Counties. The bank's three AAs consist of the following metropolitan divisions: Miami, Fort Lauderdale, and West Palm Beach. The bank's presence in southeast Florida began in 1999 and HBUS currently operates 20 full-service branches. Statewide deposits total \$2.3 billion and account for 2.8% of the bank's total domestic deposits. Within the tri-county area, HBUS ranks 14th among 129 institutions for deposits with a 1.6% market share. Wachovia and Bank of America, each with a substantially larger branch network, have a combined market share of 35% and rank 1st and 2nd respectively.

⁴ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Housing affordability is a critical issue. In the Miami AA, as in much of the state of Florida, housing affordability is impacted by more than sales price. After eight hurricanes in the past few years, home operating costs also contribute to the affordability crisis. Florida homeowners are paying more for property insurance, utilities, municipal taxes and special assessments to pay for hurricane recovery costs.

The contraction of the U.S. economy has impacted Florida's economy equally in both job losses and the housing market. Unemployment has reached 11.5% and the state ranks among the top three in the country in number of new foreclosure filings.

Refer to the market profile for the state of Florida in appendix C for detailed demographics and other performance context information for the Miami AA that received a full-scope review.

Scope of Evaluation in Florida

We conducted a full-scope review of the Miami AA and limited-scope reviews of the Fort Lauderdale and West Palm Beach AAs. The state rating is based primarily on the performance in the Miami AA. The Miami AA represents the bank's largest concentration of loans, deposits, and branches in the state. Both home mortgage lending and small loans to businesses were evaluated. Home mortgage lending was weighted more heavily based on the volume of lending. Mortgage lending accounted for 86% of the lending volume in the Miami AA.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Florida is rated outstanding. Based on the full-scope review, the bank's performance in the Miami AA is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the state of Florida section of appendix D for the facts and data used to evaluate the bank's lending activity.

HBUS's lending activity is excellent in the Miami AA. HBUS ranks 10th in deposit market share in this AA with 2.5% of the deposit base. The bank ranks 12th in overall home mortgage lending with a 2% market share. For home purchase, the bank ranks 12th with a 1.7% market share, 5th for home improvement with a 7.2% market share, and 12th for home refinance with a 1.7% market share. The competition for home mortgage lending is extremely high as demonstrated by the 696 lenders in the bank's AA, many without a depository presence. In small loans to business lending, HBUS ranks 15th in both number and amount of loans with 0.43% and 1.6% market shares, respectively. Nearly 75% of the number of small loans to businesses was made by four nationwide credit card lenders. Their individual market shares ranged from 9.6% to 38%.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is excellent. This is based on excellent distribution of both home mortgage loans and small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of home mortgage loans is excellent for all loan types. The percentage of lending in both low- and moderate-income geographies either exceeded or significantly exceeded the percentage of owner-occupied units in those geographies. The market share in low- and moderate-income geographies substantially met or exceeded the bank's overall market share for all loan types.

Small Loans to Businesses

Refer to Table 6 in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

HBUS's geographic distribution of small loans to business is excellent.

The portion of small loans to businesses made in low-income geographies exceeded the percentage of businesses that are within those geographies. The portion of small loans to businesses in moderate-income geographies was near to the percentage of businesses that are within those geographies. HBUS's small loans to businesses market share is too small to provide a meaningful analysis.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level of the borrower is good. The distribution of both home mortgage loans and small loans to businesses is good.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is good, given the high cost of housing and the high poverty level in the Miami AA. Although the Miami real estate market has been negatively impacted by the recent economic climate, data show that the median sales price of existing single-family homes in the Miami area is approximately \$234 thousand. Coupled with a poverty level of 18% of the households, home ownership remains very difficult for most low- and moderate-income borrowers. The updated median family income indicates that a low-

income individual earns no more than \$24 thousand a year and a moderate-income person earns no more than \$39 thousand a year. These barriers were considered in our analysis and conclusions.

For each mortgage loan product, the percentage of loans to low-income borrowers is substantially below the percentage of low-income families. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families. The bank's market share of home purchase lending to both low- and moderate-income borrowers exceeded its overall market share. For home improvement lending, the bank's market share to low-income borrowers was significantly below the bank's overall market share and to moderate-income borrowers was below the bank's overall market share. For home refinance lending, the bank's market share to low-income borrowers was below the bank's overall market share. The market share to moderate-income borrowers for home refinance loans substantially met the bank's overall market share.

Small Loans to Businesses

Refer to Table 11 in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's distribution of small loans to businesses is good, given the strong competition.

The percentage of loans to businesses with revenues of \$1 million or less is near to the percentage of such businesses. Additionally, a large majority of the bank's loans were for \$100 thousand or less, indicating the bank's willingness to make small loans to businesses. The bank's market share is too small to provide a meaningful analysis.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Florida section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

HBUS's level of CD lending had a positive impact upon its performance under the Lending Test in the Miami AA.

The bank originated 20 CD loans totaling \$13.7 million. Most of these loans were used to help provide affordable housing, which has been identified as a primary need for this AA. A specific example includes a \$2.5 million loan to a non-profit community based organization to fund the acquisition of land for affordable housing projects. This same organization also obtained a \$350 thousand loan to fund predevelopment expenses for two affordable multifamily housing projects. These projects will create 820 housing units.

Product Innovation and Flexibility

HBUS's product flexibility had a positive impact on its Lending Test conclusions in the Miami AA. HBUS offers flexible mortgage lending that targets low- and moderate-income borrowers through the Community Works, Home 97 and My Community Mortgage programs. During the evaluation period, the bank originated 537 loans totaling \$115.5 million under these programs. Additionally, the bank continued to offer the SHOP product in the Miami AA. The bank originated 424 loans under this program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Fort Lauderdale and West Palm Beach AAs is not inconsistent with the bank's overall outstanding performance under the Lending Test in Florida. Refer to the Tables 1 through 12 in the state of Florida section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Florida is rated outstanding. Based on full-scope review, the bank's performance in the Miami AA is excellent.

Refer to Table 14 in the state of Florida section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

HBUS made total investments in the Miami AA of nearly \$16.4 million, including those of prior evaluation periods. These investments together equate to 5.4% of Tier 1 allocated capital. Although the bank has a reduced need for tax credit investments, the bank nevertheless invested nearly \$8.5 million in the current period in a LIHTC project that was responsive to the needs of the AA. This senior housing development will provide nearly 100 units of affordable housing. Other investments consisted primarily in mortgage back securities comprised solely of mortgages to low- and moderate-income borrowers in the Miami AA, and grants to organizations with a mission of developing and fostering affordable housing. The recent economic downturn has significantly impacted the non-profit community. Several longtime community development corporations closed their doors or consolidated in 2008. Others remained opened but significantly changed their program in response to the depressed real estate market. However, the bank continues to work with established organizations and notably provided \$216 thousand to a community organization that provides financial education and counseling for homebuyers. The bank also made six investments and grants totaling \$40 thousand to organizations and funds surrounding Miami that have the potential to benefit the AA or the greater regional area.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Fort Lauderdale and West Palm Beach AAs is not inconsistent with the bank's overall outstanding performance in Florida.

Refer to the Table 14 in the state of Florida section of appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Florida is rated high satisfactory. Based on the full-scope review, the bank's performance in the Florida AA is good.

Retail Banking Services

Refer to Table 15 in the state of Florida section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are accessible to geographies and individuals of different income levels, considering the proximity of certain branches to moderate-income geographies. The percentage of branches in low-income geographies exceeds the percentage of population residing in those geographies. There are no branches in moderate-income geographies. However, some branches located in middle-and upper-income geographies are convenient to multiple moderate-income geographies providing accessibility to the residents of those geographies. The two branches located in middle-income geographies are located less than half a mile from a moderate-income geography and less than one mile from two other moderate-income geographies. Four branches in upper-income geographies are located less than one mile from four different moderate-income geographies and in one instance, as near as one block. No branches were opened or closed during the evaluation period in the Miami AA.

Office hours offered throughout the full-scope AA do not vary in a way that inconveniences certain portions of the AAs. Branches are generally open weekdays from 9:00 AM to 4:00 PM, with an additional hour of service on Friday evenings. The bank offers a wide range of banking products and services throughout the AA as described in the bank's Public File. They are comparable among branch locations, regardless of the income of the geography.

HBUS has multiple alternative delivery systems which have proven effective in helping to provide retail banking services in the AA. Refer to the Retail Banking Services section in the New York MMSA for a description of these systems.

Community Development Services

HBUS provided a high level of CD services during the evaluation period that are responsive to AA needs. Officers and employees provided over 150 hours of CD service to ten different organizations whose mission meets the definition of community development. An additional 325 hours were provided to six organizations that operate in the greater Miami area. A significant majority of total time was dedicated to non-profit organizations providing affordable housing to low- and moderate-income persons. Employees serve on the board of directors,

advisory boards, finance and loan committees, and conduct homebuyer workshops. Activities directed to affordable housing organizations are responsive to AA needs given the foreclosure crisis that has negatively impacted Miami. Of particular note is the amount of time given to a South Florida non-profit affordable housing organization that is taking a major role in programs funded by the allocation of Neighborhood Stabilization Program dollars.

Additionally, 200 hours of employee time was dedicated to delivering personal finance and economic education training to low- and moderate-income students as part of the bank's public service commitment to the Junior Achievement program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Fort Lauderdale AA is not inconsistent with the bank's overall high satisfactory performance in Florida. Performance in the West Palm Beach AA is weaker than the bank's overall performance due to the weaker distribution of branches in low- and moderate-income geographies. The weaker performance did not impact the state's rating under the Service Test. Refer to Table 15 in the state of Florida section of appendix D for the facts and data that support these conclusions.

State Rating

DISTRICT OF COLUMBIA

CRA Rating for District of Columbia⁵: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Low Satisfactory

The major factors that support this rating include:

- Good lending activity in the AA.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of CD investments including prior period investments which are responsive to the needs of the AA.
- Branches are reasonably accessible to geographies and individuals of different income levels in the AA.
- HBUS provided a high level of CD services that are responsive to the needs of the bank's AAs, given the limited staffing resources.

Description of Institution's Operations in District of Columbia

In evaluating the bank's performance, we considered several economic and business factors affecting the District of Columbia AA (DC AA).

HBUS opened its first branch in Washington, DC in December 2004 at the request of the U.S. Department of State to provide banking services to the DC diplomatic corps after two other banks exited the market. The bank now has four offices within the AA. Two of these offices are housed in embassies and are not accessible to the general public. Approximately 75% of HBUS's business in this AA is derived from embassy customers and is deposit based. These

⁵ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

customers are generally short-term foreign nationals residing in embassy housing with little need for home mortgage or small business loans. The AA had \$1.5 billion in deposits as of June 30, 2008 which represented 1.8% of the bank's total domestic deposits.

Refer to the market profile for the District of Columbia in appendix C for detailed demographics and other performance context information.

Scope of Evaluation in District of Columbia

The bank has defined a single AA containing all of the census tracts that make up the District of Columbia. The area received a full-scope review. Home purchase and home refinance mortgage and small loans to businesses were evaluated. Mortgage lending received greater weight based on the volume of lending. HBUS's volume of home improvement loans was insignificant, which precludes any meaningful analysis or conclusion. Statistics are provided in the tables in appendix D for informational purposes.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in District of Columbia is rated outstanding. Based on the full-scope review, the bank's performance in the DC AA is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the District of Columbia section of appendix D for the facts and data used to evaluate the bank's lending activity.

HBUS's lending activity is good given the business strategy and customer base within the AA. During the evaluation period, nearly all of the bank's loans were for home mortgages. HBUS ranks 6th in deposits with a 6.3% market share. The bank ranks approximately 20th with a 1.15% market share in overall mortgage lending, 20th in home purchase (1.1% market share) and 17th for home refinancing (1.3% market share).

For small loans to businesses, HBUS ranks 24th with minimal market share by number of loans. Three major credit card lenders have a combined market share of 67%. Individually, these three lenders have individual market shares ranging from 10% to 43%.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is excellent. This is based on excellent distribution of home mortgage loans and adequate distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the District of Columbia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of home mortgage loans is excellent.

For all home mortgage products, the percentage of loans made in low- and moderate-income geographies either exceeds or significantly exceeds the percentage of owner-occupied housing units in those geographies. The bank's market shares in those geographies either exceeded or substantially met the bank's overall market share.

Small Loans to Businesses

Refer to Table 6 in the District of Columbia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

HBUS's geographic distribution of small loans to business is adequate.

In low-income geographies, HBUS's portion of small loans to businesses is somewhat below the percentage of businesses in those geographies. HBUS's portion of small loans to businesses in moderate-income geographies was substantially below the percentage of businesses that are within those geographies. The bank's market shares are too small to provide a meaningful analysis.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level of the borrower is good. The distribution of both home mortgage loans and small loans to businesses is good.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the District of Columbia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is good, given the high cost of housing and the high poverty level in the DC AA. Although home prices have declined from their peak, there remains an affordability gap between the median income of the AA and the median home price. Coupled with a poverty level of 17% of the households in the AA, home ownership remains very difficult for most low-income persons.

The percentage of both home mortgage products to moderate-income borrowers significantly exceeded the percentage of moderate-income families. The percentage of mortgage lending to low-income borrowers was significantly below the percentage of low-income families. The bank's market shares are too small to provide a meaningful analysis.

Small Loans to Businesses

Refer to Table 11 in the District of Columbia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's distribution of small loans to businesses is good.

The percentage of loans to businesses with revenues of \$1 million or less is somewhat below the percentage of such businesses. Additionally, a large majority of the bank's loans were for \$100 thousand or less, indicating the bank's willingness to make small loans to businesses. The bank's market share to businesses with revenues of \$1 million is too small to provide a meaningful analysis.

Community Development Lending

Refer to Table 1 Lending Volume in the District of Columbia section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

HBUS's level of CD lending had a positive impact upon its performance under the Lending Test in the DC AA. The bank originated five loans totaling nearly \$23 million. The most notable was a \$15 million construction loan for the redevelopment of a mixed use building in a low-income geography. The building when purchased had one retail tenant. Upon the completion of renovations, several new retail establishments were opened providing permanent jobs for low- and moderate-income individuals.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusions for the DC AA. During the evaluation period, HBUS originated 241 loans for \$57.4 million under the My Community Mortgage, Community Works, and Home 97 programs.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the District of Columbia is rated outstanding. Based on full-scope review, the bank's performance in the DC AA is excellent. Refer to Table 14 in the District of Columbia section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Washington, D.C. is a challenging market for community development. There are a number of national non-profit housing and community development organizations in the District with the capacity to manage large projects that involve significant dollar amounts; however, their focus

is generally not local. The majority of large housing development projects take place in the larger metropolitan area which includes portions of Maryland and Virginia, and is outside of the AA. This is primarily due to the availability of land.

Nonetheless, HBUS total investments in the AA were over \$13.4 million including those of prior evaluation periods. These investments together equate to 5.8% of Tier 1 allocated capital. Despite the reduced need for tax credits, the bank continued to invest in LIHTCs through an intermediary fund. These tax credits will help fund the creation of affordable housing for low- and moderate-income individuals. Additionally, in support of designated low-income credit unions, the bank placed funds in two designated institutions.

Other investments included mortgage-backed securities comprised solely of mortgages to low- and moderate-income borrowers in the DC AA and grants to organizations with a mission of developing and fostering affordable housing.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the District of Columbia is rated low satisfactory. Based on the full-scope review, the bank's performance in the DC AA is adequate.

Retail Banking Services

Refer to Table 15 in the District of Columbia section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are reasonably accessible to geographies and individuals of different income levels. HBUS has four branches in the District of Columbia AA. Two branches are not open to the public as they are located in foreign embassies and only serve embassy employees and those with specific business at the embassy. Neither of the two branches open to the public is located in a low- or moderate-income geography. One public access branch is located in an upper-income geography in Georgetown and the other is located on Connecticut Avenue in the business/government section of the District in a geography that has no income designation. However, the Connecticut Avenue branch is located less than half a mile from three low- and two moderate-income geographies and less than one mile from three other low-income geographies. This proximity provides accessibility to the residents of those geographies.

HBUS's record of opening and closing branches in the DC AA has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. The branch opened during the evaluation period is located in an upper-income geography. No branches were closed.

A wide range of banking products and services are offered in the AA as described in the bank's Public File. Office hours do not vary in a way that inconveniences certain portions of

the AA. Branches are open weekdays from either 8:30 or 9:00 AM to 4:00 or 4:30 PM. Extended hours are available on Friday evenings and on Saturday.

HBUS has multiple alternative delivery systems which have proven effective in helping to provide retail banking services in the AA. Refer to the Retail Banking Services section in the New York MMSA for a description of these systems.

Community Development Services

Given the bank's limited resources in the AA, HBUS provided a high level of CD services during the evaluation period that are responsive to AA needs. Officers and employees provided 65 hours of CD service to ten organizations whose mission meets the definition of community development. Employees serve on the grant committee, advisory board and also conduct homebuyer workshops for non-profit organizations primarily serving low- and moderate-income persons. These activities are responsive to AA credit needs.

During the evaluation period 23 presentations of "Your Money Counts" were conducted. Employees provided 50 hours to these presentations which were targeted to low- and moderate-income persons.

State Rating

State of Washington

CRA Rating for Washington⁶: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Low Satisfactory

The major factors that support this rating:

- Excellent lending activity in the AA.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income.
- CD lending had a positive impact upon its performance under the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of CD investments.
- The bank's branches are reasonably accessible to geographies and individuals of different income levels.
- HBUS provided an adequate level of CD services that are responsive to the needs of the bank's AA.

Description of Institution's Operations in Washington

HBUS continues to have a very limited presence in Washington State. The bank operates two branches here. For the evaluation period, one was located on the 23rd floor of a high rise building in downtown Seattle. It was subsequently moved to a ground-level location in March 2009. The branch was acquired from HSBC Canada in December, 2002. The second branch was opened in September 2009 and is located on Mercer Island. In this AA, the strategic focus of the bank is the commercial middle market business. With \$329 million in domestic deposits the bank ranks 17th among 61 insured depository institutions in the AA. The deposits represent 0.40% of the bank's total domestic deposits.

⁶ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the market profiles for the state of Washington in appendix C for detailed demographics and other performance context information for the Seattle AA that received a full-scope review.

Scope of Evaluation in Washington

The bank has defined its Seattle AA as King County in its entirety. The area received a full-scope review. In evaluating the bank's lending performance, greater weight was placed on home mortgage loans which represented 98% of the lending volume. The volume of multifamily loans was insufficient to result in any meaningful analysis or conclusion. Although the bank did generate some small business loans, the strategic focus remains commercial, middle-market businesses. Statistics are provided in the tables in appendix D for informational purposes.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Washington is rated outstanding. Based on the full-scope review, the bank's performance in the Seattle AA is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the state of Washington section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity is excellent, given the branch's limited access, middle-market focus, mortgage lending and deposit market shares, and competition. The bank ranks 17th in deposits with a 0.61% market share. The bank ranks 18th with a 1.2% market share in overall home mortgage lending, 33rd in home purchase (0.68% market share), 6th in home improvement (4.8% market share), and 16th in home refinancing (1.4% market share). There is strong competition in this market as evidenced by the 563 mortgage lenders in the AA.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is excellent. This is based on excellent distribution of home mortgage loans and adequate distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Washington section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

In evaluating the geographic distribution of home mortgage loans, we considered that the number of owner-occupied housing units located in the low-income geographies of the AA is very small. Approximately one half of one percent of the housing units is located here.

The geographic distribution of all home mortgage loans is excellent. For all products, the percentage of bank lending in both low- and moderate-income geographies exceeded or substantially exceeded the percentage of owner-occupied units in those geographies. The bank's market share in low- and moderate-income geographies for home improvement and home refinancing either exceeded or substantially exceeded the bank's overall market share. The bank's market share for home purchase was too small for a meaningful analysis.

Small Loans to Businesses

Refer to Table 6 in the state of Washington section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to business is adequate, given the middle-market business focus of the bank and the low percentage (2.8%) of businesses located in low-income geographies. No loans were generated in low-income geographies. In moderate-income geographies, the percentage of bank lending was well below the percentage of businesses located there. The bank's market share is too small for a meaningful analysis.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level is good. This is based on good distribution of home mortgage lending and poor distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Washington section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is good, given the high cost of housing and the high poverty level. As of June 2009, the estimated median home sales price is about \$345 thousand. Coupled with a poverty level of 12%, home ownership for most low-income borrowers is unaffordable. These barriers were considered in our analysis and conclusions.

For all home mortgage loans, the percentage of lending to low-income borrowers was significantly below the percentage of low-income families. For home purchase and home refinance, the percentage of lending to low-income borrowers nearly equaled the percentage of moderate-income families. The percentage of home improvement lending to moderate-income borrowers was slightly below the percentage of moderate-income families. For home purchase loans, the bank's market share is too low for any meaningful analysis. For home refinance loans, the bank's market to low- and moderate-income borrowers substantially met its overall market share. For home improvement loans, the bank's market share to low-income borrowers exceeded and to moderate-income borrowers was below its overall market share.

Small Loans to Businesses

Refer to Table 11 in the state of Washington section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is poor. The percentage of loans to businesses with revenues of \$1 million or less is substantially below the percentage of small businesses within the AA. However, a large majority of the loans were for \$100 thousand or less, indicating the bank's willingness to make small loans to businesses. The bank's market share is too small for a meaningful analysis.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Washington section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

HBUS's level of CD lending had a positive impact upon its performance under the Lending Test in the Seattle AA. The bank originated five CD loans totaling \$2 million. Approximately \$1.2 million is allocated to an affordable housing fund with projects in the Seattle area.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusions for the Seattle AA. HBUS offers flexible mortgage lending that targets low- and moderate-income borrowers through the Home 97 and My Community Mortgage programs. During the evaluation period, the bank originated 210 loans totaling \$54.7 million.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Washington is rated outstanding. Based on full-scope review, the bank's performance in the Seattle AA is excellent.

Refer to Table 14 in the state of Washington section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

HBUS total investments in the Seattle AA of nearly \$5.3 million, including those of prior evaluation periods, equate to nearly 10% of Tier 1 allocated capital. Despite HBUS's tax position, the bank remained committed to supporting affordable housing by continued investment in LIHTCs totaling \$4.5 million. These LIHTCs are helping to create dozens of affordable housing units for low- and moderate-income individuals and are responsive to the

needs of the AA. Current period investments consist of a deposit in a low-income CD credit union and a mortgage backed security consisting of loans originally made to low-and moderate-income borrowers.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Washington is rated low satisfactory. Based on the full-scope review, the bank's performance in the Seattle AA is adequate.

Retail Banking Services

Refer to Table 15 in the state of Washington section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are reasonably accessible to geographies and individuals of different income levels. One branch is located in a moderate-income geography. During the evaluation period this branch was relocated from the 23rd floor of a high rise office building to a nearby street level location in the same geography making it more convenient for the general public. The second branch is located in an upper-income geography.

Products and services are comparable between the branch locations and branch hours are tailored to the needs of the specific market they serve. Both offices are open weekdays 9:00 AM to 5:00 PM. The branch in the upper-income geography offers Saturday hours from 9:00 AM to 1:00 PM. The branch in the moderate-income geography is in the business district which is not active on Saturdays.

HBUS has multiple alternative delivery systems which have proven effective in helping to provide retail banking services in the AA. Refer to the Retail Banking Services section in the New York MMSA for a description of these systems.

Community Development Services

HBUS provided an adequate level of CD services. One employee provided 34 hours by serving on the finance committee of a non-profit community service organization that provides job training, life skills, and employment opportunities targeted to low- and moderate-income persons.

State Rating

State of Oregon

CRA Rating for Oregon⁷: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Low Satisfactory

The major factors that support this rating include:

- Excellent lending activity in the AA.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test.
- Excellent level of CD investments.
- The bank's branch is reasonably accessible to geographies and individuals of different income levels.
- HBUS provided a high level of CD services that are responsive to the needs of the bank's AAs.

Description of Institution's Operations in Oregon

HBUS has a very limited presence in Oregon. The bank operates one branch located on the 16th floor of a high rise office building in downtown Portland. The branch was acquired from HSBC Canada in December 2002. The business focus of the branch is commercial middle-market companies. Although the branch accepts deposits, there is no ATM and the branch does not accept cash. With \$91 million in deposits, the bank ranks 16th among 30 insured institutions in the AA. These deposits represent 0.11% of the bank's total domestic deposits.

Refer to the market profiles for the state of Oregon in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

⁷ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Scope of Evaluation in Oregon

The bank has defined the Portland AA as Multnomah County in its entirety. The area received a full-scope review. In evaluating the bank's lending performance, the weight was placed on home mortgage loans. The volume of small loans to businesses was insufficient to result in any meaningful analysis or conclusion.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Oregon is rated outstanding. Based on the full-scope review, the bank's performance in the Portland AA is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the state of Oregon section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity is excellent, given the branch's limited access, middle-market focus, mortgage lending and deposit market shares, and competition. The bank ranks 16th in deposits with a 0.61% market share. The bank ranks 22nd with a 1% market share in overall home mortgage lending. In home purchase lending, the bank has a very minimal market share. For home improvement lending, HBUS ranks 4th with a 6.2% market share. For home refinancing, the bank has a 1.3% market share. There is strong competition in this market as evidenced by the 437 mortgage lenders in the AA.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Oregon section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

In evaluating the geographic distribution of home mortgage loans, we considered that the number of owner-occupied housing units located in the low-income geographies of the AA is very small. Approximately one percent of the housing units are located here.

The geographic distribution of home mortgage loans is excellent.

With the exception of home purchase loans in low-income geographies, the percentage of all home mortgage lending in low- and moderate-income geographies either exceeded or significantly exceed the percentage of owner-occupied housing units in these geographies. The bank's market share for home purchase is too small for a meaningful analysis. For home

improvement and home refinance loans, the bank's market share either substantially met or exceeded its overall market share.

Small Loans to Businesses

Refer to Table 6 in the state of Oregon section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

During the evaluation period, the bank's volume of small loans to businesses was insignificant to allow for a meaningful analysis or conclusions.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Oregon section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is good, given the high cost of housing and high poverty level in the AA. Home prices have increased more significantly than the median family income. Coupled with a poverty level of 13%, homeownership is difficult for most low-income borrowers. These barriers were considered in our analysis and conclusions.

For all home mortgage products, the percentage of lending to low-income borrowers was below the percentage of low-income families. The percentage of lending to moderate-income borrowers was near to (home purchase) and exceeded (home improvement and home refinance) the percentage of moderate-income families. For home purchase and home refinance, the bank's market share was too small to provide meaningful analyses. For home improvement loans, the bank's market share to low-income borrowers was below and to moderate-income borrowers exceeded its overall market share.

Small Loans to Businesses

Refer to Table 11 in the state of Oregon section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

During the evaluation period, the bank's volume of small loans to businesses was insignificant to allow for meaningful analysis or conclusions.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Oregon section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5

includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

HBUS's level of CD lending had a positive impact upon its performance under the Lending Test in the Portland AA. The bank made one loan totaling \$4.6 million to an affordable housing fund for projects in the Portland AA.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusions for the Portland AA. HBUS offers flexible mortgage lending that targets low- and moderate-income borrowers through the Home 97 program. During the evaluation period, the bank originated six loans totaling just over \$1 million.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Oregon is rated outstanding. Based on full-scope review, the bank's performance in the Portland AA is excellent.

Refer to Table 14 in the state of Oregon section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

HBUS made a combination of 15 investments and grants, totaling approximately \$2.7 million, to a variety of organizations in the Portland AA. Of the total, 13 investments totaling \$1.2 million were made during the current evaluation period. In addition, the bank had two prior period investments with a remaining value of nearly \$1.5 million. A substantial majority of the investments made in the Portland AA are directly responsive to affordable housing. Over three-fourths of investments were either investments in LIHTC projects or grants to organizations with the primary mission of creating and fostering affordable housing.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Oregon is rated low satisfactory. Based on the full-scope review, the bank's performance in the Portland AA is adequate.

Retail Banking Services

Refer to Table 15 in the state of Oregon section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The branch in the Portland AA is reasonably accessible to geographies and individuals of different income levels. The bank has one full-service branch which located in an upper-

income geography. No branches were opened or closed during the evaluation period. Refer to the Description of Institution for information about the bank's operations in the Seattle AA.

Community Development Services

Given the bank's limited resources in the AA, HBUS provided a high level of CD services in the Portland AA. During the evaluation period, one employee provided 64 hours of CD support by serving on the finance committee of a non-profit affordable housing organization. This activity is responsive to AA needs. Community groups indicate that affordable housing is the most pressing need in the AA. In addition, approximately 170 hours of employee time was dedicated to delivering personal finance and economic education training to low- and moderate-income students as part of the bank's public service commitment to the Junior Achievement program.

Multistate Metropolitan Area Rating

CRA rating for the Philadelphia PA-Wilmington DE MMA⁸: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Outstanding

The major factors that support this rating include:

- Excellent lending activity in the bank's primary AAs.
- Good geographic distribution of loans.
- Excellent distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test.
- Product innovation and flexibility had a positive impact on the Lending Test.
- Excellent level of CD investments.
- The bank's branches are readily accessible to geographies and individuals of different income levels.
- HBUS provided a high level of CD services that are responsive to the needs of the bank's AAs.

Description of Institution's Operations in Philadelphia PA-Wilmington DE MMA

The bank operates within two metropolitan divisions in this MMA. There are two branches located within Philadelphia County in the Philadelphia MD, Pennsylvania and one branch within New Castle County in the Wilmington MD, Delaware. Deposits of \$7.2 billion in the multistate represent 8.7% of the bank's total domestic deposits. In the Philadelphia AA, HBUS ranked 10th of 51 institutions with \$478 million in deposits and a market share of 1.06%. Wachovia Bank, with a substantial branch presence, ranked first with a market share of 29%.

In the New Castle County AA, HBUS ranked 4th of 32 institutions with \$6.7 billion in deposits and a market share of 4.5%. However, approximately \$6.2 billion of these deposits are directly related to the Payment and Cash Management (PCM) department of the bank. This department facilitates payments and collections for domestic and international corporate

⁸ This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

clients. In this AA, ING Bank, which gathers most of its deposits through the internet, ranked first with a market share of 46%.

Refer to the market profiles in appendix C for detailed demographics and other performance context information for the Philadelphia and New Castle County AAs that received a full-scope reviews.

Scope of Evaluation in Philadelphia PA-Wilmington DE MMA

We conducted a full-scope review of the Philadelphia AA in Pennsylvania and the New Castle County AA in Delaware. In evaluating the bank's lending performance, home mortgage lending was weighted more heavily in both AAs based on volume in both number and dollars. In the New Castle County AA, the number of small loans to businesses originated was insufficient to result in any meaningful analysis or conclusion. Statistics are provided in the tables in appendix D for informational purposes.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in the Philadelphia, PA-Wilmington DE MMA is rated outstanding. Based on full-scope reviews, the bank's performance in both AAs is excellent.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the AA is excellent.

Philadelphia AA

HBUS's lending activity is excellent in the Philadelphia AA. During the evaluation period, home mortgage lending accounted for 93% of lending while small loans to businesses accounted for 7%. HBUS ranks 10th in deposits with 1.06% market share. The bank ranked 11th in overall mortgage lending with a 2.3% market share, 15th in home purchase (1.3% market share), 6th in home improvement (5.1% market share), and 8th in home refinancing (3.2% market share). This is a very competitive market as evidenced by 524 mortgage lenders. For small loans to businesses, the bank ranks 16th with a 0.54% market share.

New Castle County AA

HBUS's lending activity is excellent in the New Castle County AA. During the evaluation period, home mortgage lending accounted for nearly all of the loan activity in the AA. As noted earlier, a significant majority of the deposits in this AA is attributed to the PCM department of the bank. HBUS ranks 9th in overall home mortgage lending with a 2.2% market share. The bank has less than a 1% market share in home purchase lending. For home improvement,

the bank ranks 5th with a 6.4% market share and in home refinancing ranks 7th with a 2.8% market share.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is good.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Philadelphia AA

The geographic distribution of home mortgage loans is good. The geographic distribution of home purchase and home refinance loans is good. The percentage of lending in low-income geographies was below the percentage of owner-occupied units in those geographies. In moderate-income geographies, the percentage of lending exceeded the percentage of owner-occupied units. The market share in low- and moderate-income geographies exceeded the bank's overall market share. The geographic distribution of home improvement loans is excellent. The percentage of lending in low- and moderate-income geographies exceeded the percentage of owner-occupied units in those geographies. The market share in low- and moderate-income geographies exceeded the bank's overall market share.

New Castle County AA

The geographic distribution of home mortgage loans is excellent. For all home mortgage products, the percentage of lending in low- and moderate-income geographies substantially exceeded the percentage of owner-occupied units in those geographies. With one exception, the market shares in low- and moderate-income geographies exceeded or substantially exceeded the bank's overall market share. The market share of home refinance loans in low-income geographies was below the bank's overall market share.

Small Loans to Businesses

Refer to Table 6 in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent.

Philadelphia AA

The geographic distribution of small loans to businesses is excellent, primarily because of the excellent performance demonstrated in the low-income geographies. The percentage of lending in low-income geographies substantially exceeds the percentage of businesses located in those geographies. The percentage of lending in moderate-income geographies is

somewhat below the percentage of businesses located there. The bank's market shares are too small to perform a meaningful analysis.

New Castle County AA

During the evaluation period, the bank's volume of small loans to businesses was insignificant to allow for a meaningful analysis or conclusions.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level of the borrower is excellent. The distribution of both home mortgage loans and small loans to businesses is excellent.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Philadelphia AA

The distribution of home mortgage products to low- and moderate-income borrowers is excellent. For all products, the percentage of lending to low-income borrowers was below the percentage of low-income families. The percentage of lending to moderate-income borrowers substantially exceeded the percentage of moderate-income families. The market shares to low- and moderate-income borrowers exceeded the bank's overall market shares.

New Castle County AA

The distribution of home mortgage products to low- and moderate-income borrowers is excellent. For all products, the percentage of lending to moderate-income borrowers substantially exceeds the percentage of moderate-income families. The percentage of lending to low-income borrowers was below the percentage of low-income families. With two exceptions (low-income, home improvement and home refinancing), the market shares to low- and moderate-income borrowers exceeded the bank's overall market share. The bank's market shares for home purchase lending were too small for a meaningful analysis. Although only 8% of the households live below the poverty level, within the City of Wilmington, there are areas of significant poverty. Similar conditions exist within portions of New Castle, Newport, and Newark. These barriers were considered in our analysis and conclusions.

Small Loans to Businesses

Refer to Table 11 in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses of different sizes is excellent.

Philadelphia AA

The geographic distribution of small loans to businesses is excellent. The percentage of lending in low-income geographies substantially exceeds the percentage of businesses located in those geographies. The percentage of lending in moderate-income geographies is somewhat below the percentage of businesses located there. The bank's market share in low-income geographies exceeds and in moderate-income geographies is somewhat below its overall market share.

New Castle County AA

During the evaluation period, the bank's volume of small loans to businesses was insignificant to allow for a meaningful analysis or conclusions.

Community Development Lending

Refer to Table 1 Lending Volume in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans.

HBUS's level of CD lending had a positive impact upon its performance under the Lending Test in the MMA.

Philadelphia AA

The bank originated six CD loans totaling \$11.2 million. Of note, the bank originated a \$5 million loan to capitalize a community loan fund that primarily targets affordable housing in Philadelphia.

New Castle County AA

The bank originated six CD loans totaling \$5.9 million. The majority consists of a \$4 million allocation to a loan fund consisting of projects within the bank's AA.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusions for the MMA. HBUS offers flexible mortgage lending that targets low- and moderate-income borrowers through the Community Works, Home 97 and My Community Mortgage programs. In the combined areas, the bank originated 489 loans totaling \$63.6 million during the evaluation period.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the Philadelphia PA-Wilmington DE MMA is rated outstanding. The bank's investment performance in both the Philadelphia and New Castle County AAs is excellent. There are numerous opportunities throughout the AAs coupled with strong competition among larger financial institutions. When conducting the analysis of the New Castle County AA, deposits relating to the bank's PCM business of approximately \$6.2 billion were taken into consideration. This business facilitates the debt collection and payments process for large commercial clients located across the US and internationally and is performed out of the Client Service Unit in Delaware.

HBUS made a combination of investments and grants to a variety of organizations in the MMA. During the evaluation period, the bank made over \$626 thousand in 23 new investments in the Philadelphia AA and \$25.1 million in 51 investments in the Wilmington AA. Additionally, approximately \$8.3 million in prior period investments were outstanding in the Philadelphia AA at the end of the evaluation period. The impact of these transactions, along with the broader regional area investments that benefited the AA is excellent. A substantial majority of the dollar volume of the bank's investment transactions was focused on affordable housing, a primary need in the AA. These investments include funding for LIHTC projects, mortgage-backed securities comprised solely of mortgages to low- and moderate-income borrowers in the AA, deposits in community development credit unions, and grants to organizations with a mission of developing and fostering affordable housing. During the evaluation period, HBUS invested \$24.6 million in mortgage-backed securities, where the 1-4 family mortgage loans securing the investment were made to low- or moderate-income borrowers in the New Castle County AA. Additionally, HBUS purchased a total of \$18 million in Delaware State Housing Authority Bonds during the evaluation period. These bonds assisted in providing funding for nearly a thousand mortgages to low- and moderate-income borrowers throughout the state of Delaware.

The bank also made investments and grants to organizations and funds surrounding the MMA, but not located within any of the bank's assessment areas in the MMA. These investments and grants, while not located directly within the bank's assessment areas; either have the potential to benefit the assessment areas or the greater regional area. In the broader regional area with potential to benefit the assessment areas, 31 investments totaling \$32 million were made in the current evaluation period, and five investments with remaining balances of \$6.3 million in prior periods. In the broader regional area with no potential to benefit the assessment areas, the bank had four investments with remaining balances of \$10.2 million outstanding from prior evaluation periods.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the Philadelphia PA-Wilmington DE MMA is rated outstanding. Based on full-scope reviews, the bank's performance in both the Philadelphia and New Castle County AAs is excellent.

Retail Banking Services

Refer to Table 15 in the Multistate Metropolitan Area section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are readily accessible to geographies and individuals of different income levels. In the Philadelphia AA the bank has two branches, one located in a low-income geography and one in a moderate-income geography. In both instances, the percentage of branches located in those geographies exceeds the percentage of population residing in them. There is one branch in the Wilmington AA, located in a low-income geography. All three branches have deposit taking ATMs. No branches were opened or closed during the evaluation period.

Office hours and services offered throughout the full-scope AAs do not vary in a way that inconveniences certain portions of the AAs. Branch hours are tailored to the needs of the specific markets they serve. Branches are open weekdays from either 8:30 or 9:00 AM to 4:30 PM. In the Philadelphia AA, extended hours are available on Mondays and the branch located in the low-income geography offers Saturday and Sunday hours. All three AA branches have deposit taking ATMs as an alternative to using the branch.

Community Development Services

Given the bank's limited resources in the AA, HBUS provided a high level of CD services during the evaluation period that are responsive to AA needs. In the Philadelphia AA, officers and employees provided over 80 hours of CD service to five organizations whose mission meets the definition of community development and 10 additional hours to an organization that operates in the regional area that includes the bank's AA. Of total time, approximately 65 percent provided technical and fundraising assistance to a non-profit community service organization that provides credit, foreclosure, and homebuyer counseling targeted to low- and moderate-income persons. These activities, particularly foreclosure counseling, are responsive to AA needs.

In the New Castle County AA, officers and employees provided approximately 120 hours of CD service to four organizations whose mission meets the definition of community development, including affordable housing. The need for affordable housing is paramount in the AA. Also, approximately 100 additional hours of service were provided by employees to a non-profit

community service CDC operating in the regional area that includes the bank's AA. The organization provides free tax preparation services to low- and moderate-income persons and identifies qualified recipients of the earned income tax credit. In addition, 85 hours of employee time were dedicated to delivering personal finance and economic education training to low- and moderate-income students as part of the bank's public service commitment to the Junior Achievement program.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/2006 to 12/31/2008 Community Development Loans: 09/26/2006 to 08/31/2009 Investment and Service Tests 09/26/2006 to 09/30/2009	
Financial Institution	Products Reviewed	
HSBC Bank USA, NA (HBUS) McLean, VA	Home purchase, home improvement, home refinance mortgage, small loans to businesses	
Affiliate(s)	Affiliate Relationship	Products Reviewed
HSBC Mortgage Corporation Decision One, Beneficial, HSBC Mortgage Services, HFC, Solstice Capital, HSBC Credit Center, Realty Credit Corporation	Bank Operating Sub Holding Company	Home purchase, home improvement, home refinance mortgages Home purchase, home improvement, home refinance mortgages in the bank’s assessment areas
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
New York-New Jersey-Long Island Multistate MA NYC-Wayne White Plains MD Newark-Union, Nassau-Suffolk MDs	Full Scope Limited Scopes	
New York Buffalo-Niagara MA Albany, Binghamton, Elmira, Ithaca, Kingston, Non MA, Poughkeepsie, Rochester, Syracuse, Utica	Full Scope Limited Scopes	
California Los Angeles MD Oakland, San Francisco, San Jose, Santa Ana	Full Scope Limited Scopes	
Florida Miami MD Fort Lauderdale, West Palm Beach MDs	Full Scope Limited Scopes	

<p>District of Columbia District of Columbia</p>	<p>Full Scope</p>	
<p>Washington State Seattle</p>	<p>Full Scope</p>	
<p>Oregon Portland</p>	<p>Full Scope</p>	
<p>Philadelphia PA-Wilmington DE MMA Philadelphia County, PA AA New Castle County, DE AA</p>	<p>Full Scope Full Scope</p>	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		HSBC Bank USA, N.A.		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
HSBC Bank USA, N.A.	Outstanding	Outstanding	High Satisfactory	Outstanding
Multistate Metropolitan Area or State:				
NY-NJ-LI MULTISTATE	Outstanding	High Satisfactory	High Satisfactory	Outstanding
NEW YORK	High Satisfactory	Outstanding	Outstanding	Outstanding
CALIFORNIA	Outstanding	Outstanding	Outstanding	Outstanding
FLORIDA	Outstanding	Outstanding	High Satisfactory	Outstanding
DISTRICT OF COLUMBIA	Outstanding	Outstanding	Low Satisfactory	Outstanding
WASHINGTON	Outstanding	Outstanding	Low Satisfactory	Outstanding
OREGON	Outstanding	Outstanding	Low Satisfactory	Outstanding
PHILADELPHIA-WILMINGTON MULTISTATE	Outstanding	Outstanding	Outstanding	Outstanding

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

Appendix C: Market Profiles for Full-Scope Areas

NY-Wayne-White Plains, NY-NJ Multistate

Demographic Information for Full-Scope Area: NY-Wayne-White Plains						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,836	11.74	24.47	28.63	32.90	2.26
Population by Geography	10,807,328	12.73	26.04	26.21	34.85	0.16
Owner-Occupied Housing by Geography	1,501,138	2.09	11.90	26.78	59.23	0.00
Businesses by Geography	893,123	6.83	17.88	21.59	52.70	0.99
Farms by Geography	5,914	2.23	6.92	17.91	72.81	0.14
Family Distribution by Income Level	2,585,093	26.08	15.39	16.69	41.84	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,071,932	22.72	36.51	25.20	15.57	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$49,461 = \$63,000 = 17%	Median Housing Value Unemployment Rate (September 2009)				= \$425,200 = 9.3%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors-2Q2009

The bank's AA consists of 10 of 11 counties in the New York-Wayne-White Plains MD. This includes the New Jersey counties of Bergen and Hudson and the New York counties of Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, and Westchester. There are significant demographic variations between the counties including home values, homeownership rates, property types, and population. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

As of June 30, 2008, HBUS had \$36.4 billion in deposits in this AA, which represents 44% of the bank's total domestic deposits. There are 173 FDIC-insured depository institutions in the AA with over 2,900 offices. HBUS has 163 branches in the AA. JPMorgan Chase dominates the market with 36.7% deposit market share, followed by Bank of America and Citibank. HBUS ranks 4th with a deposit market share of nearly 6%.

New York City (NYC) dominates the population in the MD with over 8 million people. Although NYC is home to a diversified mix of businesses, the AA has not been immune to the economic downturn. Unemployment spiked from 5.5% in 2008 to 9.3% as of September 2009, and exceeds the state level. Several large financial firm bankruptcies, including Lehman Brothers, Bear Stearns, and AIG Insurance, have contributed to the job losses. Top employers in the AA include New York-Presbyterian Healthcare System, Citigroup and JPMorgan Chase. Leading industries in the AA are professional and business services, education and health services,

and financial services. While there are a significant number of high paying jobs in the AA, there is also a wide income disparity, which results in nearly 17% of the households below the poverty level. Tourism is showing improvement as the AA regains visitors subsequent to the 2001 terrorist attack.

The AA remains a high cost area with housing affordability a challenge. Housing prices increased 124% between 1996 and 2006 making New York one of the most expensive housing markets in the country. In spite of the construction boom during which a record 31,453 building permits were issued in 2006, affordable housing is scarce. Although home prices have declined from their peak level, the median home sales price was \$425 thousand in the 2nd quarter of 2009. The rate of homeownership at 33% is approximately half the national average. The Housing Opportunity Index (HOI) compiled by the National Association of Home Builders reflects that in the 3rd quarter of 2008, only 10.6% of housing in the New York Metro Region was affordable to people earning the median area income (\$ 63,000), the lowest share anywhere in the country.

The economic downturn has resulted in the elimination or modification of some of programs that created the housing boom. A limited supply of tax credits and the credit crisis have negatively impacted affordable housing both in terms of construction and end-loan financing. Additionally, there are pockets within the AA that are experiencing a higher level of foreclosure. The shortage of affordable housing in the MD combined with competitive factors significantly impact mortgage lending to low- and moderate-income borrowers.

The AA has over 60 CDFIs, and many experienced community based non-profit developers. Budgetary constraints (federal, state, city), lack of vacant or usable land, and limited financing options are but a few of the challenges that affect the sustainability of affordable housing programs. Opportunities for loans and investment exist, but relative to the large number of lenders, they are limited. There are numerous community based organizations in the AA with their primary purposes varying greatly. Financial literacy, affordable housing and rental assistance, micro loans for small business, and foreclosure prevention assistance have been identified as critical for the AA.

State of New York

Buffalo

Demographic Information for Full-Scope Area: Buffalo						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	302	10.60	20.86	45.36	19.54	3.64
Population by Geography	1,170,111	8.78	16.45	47.62	26.35	0.81
Owner-Occupied Housing by Geography	310,174	4.34	13.17	51.87	30.61	0.00
Businesses by Geography	75,277	9.56	13.31	45.43	29.90	1.80
Farms by Geography	1,623	2.03	4.81	58.41	34.26	0.49
Family Distribution by Income Level	303,215	20.37	18.07	22.08	39.48	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	116,550	15.99	24.51	45.47	14.03	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$49,149 = \$60,900 = 12%	Median Housing Value Unemployment Rate (September 2009)				\$99,200 = 8.4%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors (1Q2009).

The Buffalo AA is comprised of the entire Buffalo MSA, which includes Erie and Niagara counties. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

The deposit market is concentrated with two financial institutions holding 73% of the total market share in the AA. As of June 30, 2008, HBUS was ranked 1st of 19 FDIC insured depository institutions with offices in the AA with a 49% market share. Manufacturers & Traders Trust Co. ranked second at 24%.

The Buffalo economy is currently in recession as the metro area is losing jobs in nearly every industry. The unemployment rate has risen to 8.9%. Major employers include the University of Buffalo, Kaleida Health, Seneca Niagara Casino and Hotel and HBUS. The largest employment sectors are education and health services, professional and business services and retail trade. The Niagara Falls area and casinos provide tourism attractions; however, both are expected to suffer due to unfavorable economic conditions.

The AA has a low cost of living and a high level of housing affordability. The median housing value dipped to \$99,200. The infrastructure is aging. The housing issues have not impacted Buffalo to the extent it has in other areas during the current economic downturn. However, foreclosures exist in neighborhoods within the AA.

Financial institutions have ample community development opportunities particularly, for lending and investments through partnerships with various affordable housing agencies and developers, community service organizations, availability of LIHTC projects as well as other investment opportunities. However, the market remains challenging due to various local economic and political factors.

Contacts with community-based organizations indicated there are significant credit and community development needs in the MSA including:

- Home rehabilitation loans.
- Loan programs to help revitalize struggling business districts.
- Loans for smaller affordable housing projects.
- Emergency repair loans as well as weatherization.
- Down payment assistance for home buyers.
- Products to serve the unbanked.
- Small business entrepreneur education programs.

State of California

Los Angeles

Demographic Information for Full-Scope Area: Los Angeles						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,054	8.71	28.29	27.99	34.23	0.78
Population by Geography	9,519,338	8.00	29.44	30.88	31.58	0.10
Owner-Occupied Housing by Geography	1,499,694	1.91	15.46	31.30	51.33	0.00
Businesses by Geography	869,503	7.94	21.05	26.58	43.63	0.80
Farms by Geography	6,632	3.97	15.59	31.60	48.40	0.44
Family Distribution by Income Level	2,154,311	23.87	16.49	17.40	42.24	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	869,463	13.65	41.46	28.95	15.94	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$46,509 = \$59,800 = 15%	Median Housing Value Unemployment Rate (September 2009)		= \$303,500 = 11.9%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors-1Q2009

HBUS has designated the Los Angeles-Long Beach-Glendale CA Metropolitan Division #31084 in its entirety as its AA. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

In terms of deposit market share, HBUS ranked 18th with a 0.95% share compared to Bank of America with the largest market share at 18.7%. There are 146 FDIC insured depository institutions in the county operating 1,765 offices. The market is somewhat concentrated with the three largest banks holding 40% of the area’s insured deposits.

The Los Angeles MD is a complex, highly diverse, urban area that includes 88 cities and a number of unincorporated areas. The percentage of households living below the poverty level is 15%. It should be noted that within the City of Los Angeles, poverty levels are higher and average 20%. Some neighborhoods within the city have very high poverty rates. For example, poverty rates are reported as 61% in Chinatown, 44% in Pico-Union, 36% in South Los Angeles, and 34% in Lincoln Heights.

The median housing value fluctuated significantly during the evaluation period. At the beginning of the evaluation period, the median sales price was approaching the apex of the boom years at approximately \$560,000. Then, the mortgage crisis began. California experienced dramatic decreases in home values as the volume of foreclosures increased and the overall economy slipped into recession. Even with the flattening of prices, home ownership

remains out of reach for many moderate-income families. To afford a home priced at \$389,000 (assuming a 30-year fixed-rate loan at 6% interest with a 20% down payment) requires an annual income of \$74,632. Based on the 2008 HUD Median Family Income for Los Angeles, 80% of Median Family Income is only \$47,840. Sales of homes decreased 29% from 2007 to 2008. Most homes sold have been through foreclosure. According to HUD, the fair market rent on a two-bedroom apartment was \$1,300. A rent stabilization ordinance only permits a three-percent annual increase.

A *Los Angeles Times* article from April 2008 reported that California homeowners were served with 113,676 notices of default during first quarter, an increase of 143% from the same period in 2007. Actual foreclosures in the state during first quarter averaged 500 per day. The total of foreclosures in the state was 249,940 during 2008. Los Angeles County recorded the largest number of foreclosures. Since 2006 when the mortgage meltdown started through third quarter 2008, Los Angeles County experienced 42,804 foreclosures. There was a slight decrease in the foreclosure rate during fourth quarter 2008 after a state law was implemented that required mortgage companies to give delinquent homeowners 30 days notice and a chance to discuss adjusted terms and options before the lender could serve a notice of default.

Los Angeles is the largest and most rapidly growing metropolitan region in the fastest growing state in the country. The greater Los Angeles area is the second largest metropolitan area in the U.S. with just under 18 million people. Los Angeles County makes up over half of that with 9.8 million residents. The current Consolidated Plan for the City of Los Angeles indicates that this rapid growth, much of it caused by a continuous influx of immigrants, presents many challenges and is one of many barriers to one of the city's goals – preservation and production of affordable housing.

International trade and tourism are critical to the economy. Film and television production are also a large part of the local economy. The motion picture and television industry employs approximately 124,000 in the MD. Defense and aerospace manufacturing remain as important sources of employment. Healthcare employs nearly 70,000 in the MD. Some of the largest employers include Northrup Grumman, Bank of America Corporation, Boeing, Target Corporation, Kroger, Wells Fargo, FedEx, and United Parcel Service. The unemployment rate in the MD has been steadily increasing and stood at 11.9% in September 2009. The Port of Los Angeles/Long Beach is one of the busiest in the nation, as is the Los Angeles International Airport although both have seen decreased traffic volumes during the past year. The combined Los Angeles/Long Beach ports handle approximately 40% of all waterborne imports into the U.S.

Community contacts indicate there are significant credit and community development needs. There is an obvious need for affordable rental and owner-occupied housing. In these uncertain financial times with the current housing difficulties, there is a strong need for foreclosure prevention counseling. Affordable rental housing is an even stronger need than before because of the large number of people who have lost their residences by foreclosure. Another significant need in the MD is for technical assistance and financing for small businesses. According to 2008 Dun & Bradstreet statistics, 68% of businesses located within the area have annual revenues of \$1 million or less. Another 27% of businesses do not report revenue information. However, 73% of the businesses located in Los Angeles County have fewer than 20 employees. Two contacts commented on a need for more SBA 504 financing and other small business loans. Financial literacy education is another significant need. There

is a large un-banked population within the area and a large number of immigrants to this country. One contact said that while there are a number of loan programs and funds available around greater Los Angeles, there are gaps in certain geographical areas. Contacts continue to specifically mention South Central Los Angeles as an area with unmet credit needs.

There are significant opportunities in the MD to participate in community development activities. Non-profit organizations are numerous and active, and local government promotes and assists a variety of community development and redevelopment activities. There is a Federal Empowerment Zone and four state Enterprise Zones, eight Small Business Development Centers, and 15 Community Development Financial Institutions in the city. The city's Community Redevelopment Agency has designated 32 redevelopment project areas and three revitalization areas within the city. There are several Brownfields sites within Los Angeles County. All of these provide opportunities for direct investment, grants, and providing needed technical assistance.

State of Florida

Miami

Demographic Information for Full-Scope Area: Miami						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	347	7.78	28.53	32.85	29.97	0.86
Population by Geography	2,253,362	4.89	28.61	35.68	30.79	0.02
Owner-Occupied Housing by Geography	449,333	1.69	19.82	36.99	41.51	0.00
Businesses by Geography	345,586	4.97	22.25	32.20	40.13	0.44
Farms by Geography	3,829	2.74	19.69	33.46	44.01	0.10
Family Distribution by Income Level	552,484	23.00	16.98	18.53	41.50	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	220,856	8.31	40.20	35.41	16.08	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$40,266 = \$49,200 = 18%	Median Housing Value Unemployment Rate (September 2009)		= \$206,000 =10.9%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2008 HUD updated MFI.

HBUS has designated the Miami-Miami Beach-Kendall, FL Metropolitan Division #33124 in its entirety as its AA. The greatest concentration of low- and moderate-income geographies can be found in the city of Miami. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

Miami-Dade County is a densely populated urban center. According to the 2000 Census, the total population is 2.25 million; however, 2006 estimates by the US Census Bureau place the population at 2.4 million. Overall, owner occupancy is high in the AA reaching 60% (based on 2006 estimates) as a result of the housing boom that impacted the area through 2006. However, in low- and moderate-income geographies, the level of renter occupancy is high (69% and 56%, respectively). These geographies also represent high levels of households below the poverty level (47% and 27%, respectively), indicating a need for affordable rental housing. These households would have difficulty qualifying for a home mortgage even at current housing prices. Community contact indicates that the need for affordable rental housing is acute in Miami-Dade County as the number of homeless persons grows.

Miami-Dade County, particularly the city of Miami, has been severely impacted by the housing crisis. The state of Florida consistently ranks among the top five states in the nation for the number of home foreclosures and, according to Moody's Economy.com, the city of Miami has the highest rate of first mortgage write-offs in the country, at 12.6%. The national average is approximately 2%. If delinquencies are included, the rate escalates to 26%. The high

foreclosure rate puts additional stress on the affordable rental market and the stability of communities.

Housing prices in Miami-Dade County are declining. The National Association of Realtors estimates the median sales price of an existing single-family home in the first quarter of 2009 in Miami-Dade County to be \$206,000, below the same level it was in 2003. When these prices are compared with the county's HUD Adjusted Median Family Income of \$49,200 for 2008 it is clear that, with the assistance of subsidizes and other special programs, low-or moderate-income families may have an opportunity to purchase a home. However, current economic conditions have reduced the availability of assistance.

Local economic conditions are weak. Prior to the National Bureau of Economic Research declaring the United States officially in a recession, local economists indicated the economy of Florida was in recession earlier, due to the large decline in the real estate values (over 30%). In Miami-Dade County, housing starts have declined to the lowest level in a decade according to the Metro Study Corporation. In the fourth quarter of 2008 only 72 housing starts were recorded in Miami-Dade County. The decline in jobs, particularly construction and construction-related, has driven the county's unemployment rate to nearly 11% percent in September 2009. This indicates a need for activities that support job creation, job placement and job training programs, and community services for low- and moderate-income persons and families.

District of Columbia

District of Columbia

Demographic Information for Full-Scope Area: District of Columbia						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	188	31.38	32.98	11.17	20.74	3.72
Population by Geography	572,059	30.51	34.34	9.77	24.40	0.98
Owner-Occupied Housing by Geography	101,216	14.93	35.01	14.09	35.96	0.02
Businesses by Geography	66,280	21.69	24.65	6.39	37.43	9.85
Farms by Geography	263	20.15	30.04	9.13	38.40	2.28
Family Distribution by Income Level	115,963	40.26	17.67	14.62	27.45	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	67,173	47.06	39.61	7.11	6.21	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$71,100 = \$97,200 = 17%	Median Housing Value Unemployment Rate (September 2009)		= \$ = 6.2%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors-1Q2009

HBUS has defined the District of Columbia as its AA. The AA is part of the Washington-Arlington-Alexandria Metropolitan Division #47894. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

As of June 30, 2008, HBUS ranked 6th of 34 FDIC insured depository institutions with offices in the AA with a 6.3% market share. Wachovia Bank, Bank of America, and PNC Bank with much larger branch networks have a combined deposit market share of over 55%. Their individual market shares are 29.4%, 15.2%, and 10.5%, respectively.

The area has a highly educated workforce. The largest employment sectors in the AA are government, education and health services, and professional and business services. Federal employees comprise over 25% of the workforce. Unemployment has been growing although it is less than the national average. Job losses have been in retail, construction, and financial services. Tourism is important to the area.

The median housing value for the AA is \$279,400 as of March 2009. Housing values have been declining over the last year as foreclosures rise.

A review of community development needs include financial literacy, job training, foreclosure prevention, affordable rental housing and infrastructure to support economic development activities. There are several national and local community development organizations working in the AA.

State of Washington

Seattle

Demographic Information for Full-Scope Area: Seattle						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	373	2.41	19.84	50.94	26.81	0.00
Population by Geography	1,737,034	2.10	20.65	50.92	26.33	0.00
Owner-Occupied Housing by Geography	425,451	0.53	14.33	53.54	31.60	0.00
Businesses by Geography	167,505	2.80	23.39	44.54	29.27	0.00
Farms by Geography	3,122	1.35	16.40	54.55	27.71	0.00
Family Distribution by Income Level	423,511	18.27	18.00	23.46	40.27	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	153,599	2.76	30.00	51.46	15.78	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$63,951 = \$81,400 = 8%	Median Housing Value Unemployment Rate (September 2009)		= \$315,200 = 9.1%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors-1Q2009

HBUS has defined King County in its entirety as its Seattle AA. It is part of the Seattle Metropolitan Division within the Seattle-Tacoma-Bellevue MSA. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

As of June 30, 2008, HBUS ranked 17th among 60 FDIC insured depository institutions with offices in the AA with 0.61% deposit market share. Bank of America NA, US Bank NA and Washington Mutual Bank have a combined market share of 60% with individual shares of 36.7%, 12.3% and 11.6%, respectively. For most of the evaluation period, the bank operated one office that was located on the 23rd floor of an office building. In March 2009, the office was relocated to street level. The bank opened a second office located on Mercer Island in September 2009.

Compared with other areas of the country, the Seattle economy is performing relatively well despite the current recessionary period. Seattle's per capita income is well above the national average as are housing costs. The area boasts a highly trained, well educated work force and is a global center for the software industry. Top employers include the Boeing Company and Microsoft. In Seattle, professional and business services provide 14.6% of the jobs, government provides 13.7%, while manufacturing, and educational and health services provide 11.5% and 10.4%, respectively. Unemployment has nearly doubled over the past year and is the highest it has been in twenty years.

The AA faces a severe shortage of affordable housing, caused in part by the state's rapid population growth during the 1990s. The area's rental housing profile is one of the weakest in the nation with nearly one quarter of the renters paying more than 50% of their income toward housing costs. The average sale price of a foreclosed property in King County is \$295,886. Even at this price, housing in Kings County is beyond the reach of low and moderate-income families.

Financial institutions have a moderate level of community development opportunities particularly for lending and investments through partnerships with various affordable housing agencies and developers, community service organizations, availability of LIHTC projects as well as other investment opportunities.

Contacts with community-based organizations indicated the primary credit need is for financing and investments in affordable housing projects.

State of Oregon

Portland

Demographic Information for Full-Scope Area: Portland						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	170	4.12	34.12	42.35	19.41	0.00
Population by Geography	660,486	2.23	36.30	44.22	17.25	0.00
Owner-Occupied Housing by Geography	154,784	0.98	28.80	47.65	22.57	0.00
Businesses by Geography	68,515	9.23	34.24	34.89	21.63	0.00
Farms by Geography	998	4.71	26.85	40.78	27.66	0.00
Family Distribution by Income Level	153,832	22.16	20.62	22.94	34.28	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	65,812	2.69	45.70	42.87	8.74	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$55,453 = \$67,500 = 11%	Median Housing Value Unemployment Rate (September 2009)		= 248,600 = 10.9%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors (1Q2009)

HBUS has designated Multnomah County in its entirety as its AA. The county is part of the larger Portland-Vancouver-Beaverton, OR-WA MSA #38900. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

As of June 30, 2008, HBUS ranked 16th of 30 FDIC insured depository institutions with offices in the AA, with 0.61% market share. Bank of America NA, US Bank NA and Wells Fargo Bank NA have a combined market share of 65%, with 27%, 23% and 15%, respectively.

The AA has a highly diversified economy and skilled workforce. Top employers include Intel Corp., Providence Health Systems, Safeway, and Oregon Health and Science University. Leading employment sectors in the AA are professional and business services, education and health, manufacturing and retail. Tourism is a factor in the local economy. The unemployment rate jumped from 4.8% in 2007 to 10.9% in September 2009. Job losses have occurred in technology firms but the losses are slowing. The AA has a strong population migration into the AA, which has increased the potential workforce.

A review of community contacts identified critical needs for the AA. These include housing counseling, affordable housing assistance, financial literacy, environmental issues and small business loans for start-ups.

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area

Philadelphia, PA

Demographic Information for Full-Scope Area: Philadelphia						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	381	28.61	36.75	23.10	7.61	3.94
Population by Geography	1,517,550	28.91	41.93	24.90	4.08	0.18
Owner-Occupied Housing by Geography	349,651	23.30	43.70	28.82	4.18	0.00
Businesses by Geography	89,513	25.16	37.06	23.47	12.12	2.20
Farms by Geography	358	15.08	37.99	32.12	14.53	0.28
Family Distribution by Income Level	355,253	38.71	21.29	18.78	21.23	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	213,129	37.15	44.06	17.59	1.21	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$56,993 = \$72,400 = 22%	Median Housing Value Unemployment Rate (September 2009)		= \$206,000 = 8.4%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors-1Q2009

HBUS has defined Philadelphia County as its AA. The area is part of the larger Philadelphia, PA Metropolitan Division #37964. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas. This MD and the Wilmington DE MD are together a part of the larger MMSA. In accordance with the requirements under CRA, each MD is evaluated separately, but blended together for a single rating.

As of June 30, 2008, HBUS ranked 10th of 51 FDIC insured depository institutions with offices in the AA with a 1.1% market share. Wachovia Bank, Citizens Bank of Pennsylvania and Bank of America each with much larger branch networks have a combined deposit market share of nearly 60%. Their individual market shares are 29%, 18.4% and 12.3%, respectively.

The largest employment sectors in the AA are education and health services, professional and business services and retail trade. Top employers include Jefferson Health System, University of Pennsylvania and Merck & Company, Inc. As a result of the economic downturn, the unemployment rate has slowly increased to 8.4% in September 2009 and job losses remain the highest in the AA since the 1990s.

Foreclosures have surged in the AA. The median housing values have been declining in the past year. As of March 2009, the median housing value in the AA was \$206,000. The number of households living below the poverty is significant at 22%.

The housing stock and infrastructure is aging. As a result, a need for home repair assistance exists. Other needs identified through community contacts include housing counseling, foreclosure assistance, loan modifications, financial literacy, job training, small dollar loans and low cost bank accounts.

Wilmington, DE

Demographic Information for Full-Scope Area: Wilmington, DE						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	127	7.87	18.11	48.03	25.20	0.79
Population by Geography	500,265	4.17	17.63	50.63	27.58	0.00
Owner-Occupied Housing by Geography	132,493	1.53	14.54	51.24	32.69	0.00
Businesses by Geography	39,530	14.27	14.98	43.49	27.14	0.13
Farms by Geography	672	3.27	14.43	44.79	37.50	0.00
Family Distribution by Income Level	127,997	18.53	17.33	23.55	40.59	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	45,905	7.24	26.95	51.40	14.41	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below the Poverty Level	= \$60,622 = \$73,900 = 8%	Median Housing Value Unemployment Rate (September 2009)		= \$206,000 = 8.7%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census and 2008 HUD updated MFI, Bureau of Labor Statistics, National Association of Realtors-1Q2009

HBUS has defined its AA as New Castle County in its entirety. The county is part of the larger Wilmington DE-MD-NJ Metropolitan Division #48644. This MD and the Wilmington DE MD are together a part of the larger MMSA. In accordance with the requirements under CRA, each MD is evaluated separately, but blended together for a single rating. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas. All of the low-income tracts and eight of the 23 moderate-income tracts are located in the City of Wilmington.

As of June 30, 2008, HBUS ranked 4th of 32 FDIC insured depository institutions with offices in the AA, with a 4.6% deposit market share. It should be noted that a substantial portion of these deposits are attributed to the bank's PCM department described earlier in this evaluation. The market is concentrated with three financial institutions having a combined market share of 75%. ING Bank FSB, Chase Bank USA N.A., and Lehman Brothers Bank FSB have individual markets shares of 45.9%, 24.2% and 5%, respectively.

The unemployment rate has spiked from 4.9% in 2008 to 8.7% in June 2009 as two major automakers suspended operations. Industries impacted the greatest by the economic downturn include construction, retail trade and professional and business services. The largest employment sector in the AA is retail with 38% of the jobs, followed by services at 17%. Major employers include Christiana Care Health System, E I DuPont de Nemours Co. and Bank of America (formerly MBNA). Although the poverty level of 8% is considered low, there are areas of significant poverty within the City of Wilmington.

The market for CD opportunities in Delaware is very challenging. The large number of banks, particularly credit card institutions with limited purpose designations with Delaware headquarters, makes Delaware a unique challenge for banks in meeting CRA obligations. HBUS and over thirty other financial institutions in the bank's AA actively seek out and compete for community reinvestment opportunities, making it a very competitive environment for funding organizations and projects.

Community contacts have identified ongoing affordable housing and small business needs. Due to the economic downturn, additional challenges exist. Support for borrowers with credit card hardships, foreclosure assistance, affordable rental housing, small business micro loans and alternatives to small, high cost loans are needed.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated

and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

New York Multistate Metropolitan Area

State of New York

State of California

State of Florida

District of Columbia

State of Washington

State of Oregon

Philadelphia PA-Wilmington DE
Multistate Metropolitan Area

Broader Regional/Nationwide Investments

Table 1. Lending Volume

LENDING VOLUME 2008		Geography: NEW YORK MULTISTATE						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
NY Wayne-White Plains NY MD	71.49	35,169	10,010,826	40,266	3,231,328	6	285	133	551,410	75,574	13,793,849	87.50
Limited Review:												
Nassau Suffolk NY MD	22.79	14,000	3,316,717	10,049	843,240	0	0	27	73,682	24,076	4,233,639	10.31
Newark-Union NJ MD	5.72	5,234	1,111,478	806	77,463	0	0	5	12,796	6,045	1,201,737	2.19

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NEW YORK MULTISTATE									Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	18,564	73.09	2.09	4.92	11.90	23.17	26.79	31.68	59.23	40.22	5.55	6.45	7.04	6.75	4.42
Limited Review:															
Nassau Suffolk NY MD	5,250	20.67	0.22	0.78	12.21	21.26	66.17	64.23	21.40	13.73	3.33	3.40	3.42	3.44	2.83
Newark-Union NJ MD	1,586	6.24	3.82	19.61	13.82	31.90	32.75	28.18	49.61	20.30	1.40	2.51	1.98	1.32	0.92

* Based on 2007 Peer Mortgage Data (Eastern)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: NEW YORK MULTISTATE				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
NY Wayne-White Plains NY-NJ MD	4,596	57.99	2.09	5.46	11.90	21.26	26.79	33.53	59.23	39.75	10.16	16.74	15.29	11.81	7.61	
Limited Review:																
Nassau Suffolk NY MD	2,453	30.95	0.22	1.02	12.21	23.73	66.17	65.67	21.40	9.58	8.60	15.00	11.75	8.16	6.33	
Newark-Union NJ MD	877	11.06	3.82	11.74	13.82	31.24	32.75	39.57	49.61	17.45	5.34	12.74	8.71	5.89	2.12	

* Based on 2007 Peer Mortgage Data (Eastern)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: NEW YORK MULTISTATE Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	11,887	56.76	2.09	4.27	11.90	19.32	26.79	30.91	59.23	45.50	3.05	3.08	3.46	3.19	2.83
Limited Review:															
Nassau Suffolk NY MD	6,289	30.03	0.22	0.54	12.21	21.00	66.17	67.23	21.40	11.23	2.94	4.78	2.89	3.06	2.38
Newark-Union NJ MD	2,766	13.21	3.82	9.11	13.82	28.74	32.75	37.60	49.61	24.55	1.60	1.91	2.06	1.73	1.07

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NEW YORK MULTISTATE					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
NY Wayne-White Plains NY-NJ MD	106	89.08	17.78	6.60	29.28	33.02	21.07	18.87	31.87	41.51	0.60	0.33	0.46	0.37	1.20	
Limited Review:																
Nassau Suffolk NY MD	8	6.72	3.51	0.00	27.94	37.50	58.07	62.50	10.49	0.00	2.78	0.00	4.00	2.67	0.00	
Newark-Union NJ MD	5	4.20	26.54	60.00	34.26	40.00	24.43	0.00	14.77	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2008			Geography: NEW YORK MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	39,795	78.57	6.83	7.39	17.88	19.16	21.59	22.54	52.70	50.91	2.67	4.43	3.60	2.66	2.35
Limited Review:															
Nassau Suffolk NY MD	10,045	19.83	0.74	0.34	13.42	14.00	62.66	61.25	23.17	24.41	1.90	1.57	2.75	1.87	1.82
Newark-Union NJ MD	806	1.59	11.06	8.31	17.47	14.89	30.35	25.31	41.12	51.49	0.30	0.46	0.37	0.24	0.33

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2008		Geography: NEW YORK MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO					
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms* **	% BANK Loans	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	6	100.00	2.23	0.00	6.92	0.00	17.91	100.00	72.81	0.00	0.22	0.00	0.00	1.06	0.00
Limited Review:															
Nassau Suffolk NY MD	0	0.00	0.45	0.00	17.68	0.00	65.20	0.00	16.67	0.00	0.00	0.00	0.00	0.00	0.00
Newark-Union NJ MD	0	0.00	1.75	0.00	7.95	0.00	32.69	0.00	57.62	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2008		Geography: NEW YORK MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	18,573	73.10	26.08	0.30	15.39	5.22	16.69	17.26	41.84	77.22	4.75	8.20	10.71	9.58	3.97
Limited Review:															
Nassau Suffolk NY MD	5,250	20.66	18.03	2.79	18.61	14.11	24.19	35.79	39.18	47.31	2.80	7.61	5.33	2.71	2.20
Newark-Union NJ MD	1,586	6.24	23.67	0.53	16.72	10.42	19.69	40.11	39.92	48.94	1.01	0.59	1.32	1.38	0.82

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 49.4% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2008		Geography: NEW YORK MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	4,599	58.00	26.08	3.27	15.39	12.31	16.69	22.84	41.84	61.58	10.48	15.03	14.07	13.50	9.33
Limited Review:															
Nassau Suffolk NY MD	2,453	30.94	18.03	9.12	18.61	22.11	24.19	36.74	39.18	32.03	8.70	9.98	9.10	9.61	7.65
Newark-Union NJ MD	877	11.06	23.67	7.45	16.72	26.08	19.69	36.55	39.92	29.92	5.39	8.17	8.08	6.90	3.28

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 6.8% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2008			Geography: NEW YORK MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overa II	Low	Mod	Mid	Upp
Full Review:															
NY Wayne-White Plains NY-NJ MD	11,891	56.77	26.08	1.03	15.39	6.03	16.69	18.95	41.84	73.99	2.91	2.48	3.38	3.44	2.79
Limited Review:															
Nassau Suffolk NY MD	6,289	30.02	18.03	4.60	18.61	19.21	24.19	36.61	39.18	39.57	2.81	2.98	2.91	2.90	2.68
Newark-Union NJ MD	2,766	13.21	23.67	4.04	16.72	21.12	19.69	37.08	39.92	37.75	1.39	1.01	1.55	1.61	1.23

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 50.1% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2008			Geography: NEW YORK MULTISTATE				Evaluation Period: JANUARY 1, 2006 TO		
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
NY Wayne-White Plains NY-NJ MD	40,266	78.77	67.71	66.36	89.38	6.12	4.50	2.67	7.98
Limited Review:									
Nassau Suffolk NY MD	10,049	19.66	69.13	68.57	87.19	7.96	4.85	1.90	5.86
Newark-Union NJ MD	806	1.58	70.70	65.88	86.48	6.20	7.32	0.30	0.81

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.09% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2008		Geography: NEW YORK MULTISTATE				Evaluation Period: JANUARY 1, 2006 TO			
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
NY Wayne-White Plains NY-NJ MD	6	100.00	95.62	50.00	100.00	0.00	0.00	0.22	0.19
Limited Review:									
Nassau Suffolk NY MD	0	0.00	96.16	0.00	0.00	0.00	0.00	0.00	0.00
Newark-Union NJ MD	0	0.00	96.07	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2008).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS DECEMBER 31, 2008		Geography: NEW YORK MULTISTATE				Evaluation Period: JANUARY 1, 2006 TO			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
NY Wayne-White Plains NY-NJ MD	32	94,530	340	188,285	367	282,815	87.29	3	12,610
Limited Review:									
Nassau Suffolk NY MD	1	1,825	49	32,037	50	33,862	10.45	0	0
Newark-Union NJ MD	1	693	58	6,636	59	7,329	2.26	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009								Geography: NEW YORK MULTISTATE				Evaluation Period:					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
NY Wayne-White Plains NY-NJ MD	87.50	163	75.46	2.45	20.25	23.93	52.15	12	5	0	+3	0	+4	12.73	26.04	26.21	34.85
Limited Review:																	
Nassau Suffolk NY MD	10.31	43	19.91	0.00	16.28	55.81	27.91	2	4	0	-1	-1	0	0.76	16.02	64.36	18.86
Newark-Union NJ MD	2.19	10	4.63	0.00	10.00	20.00	60.00	4	1	0	+1	-1	+3	12.85	24.47	28.20	34.48

Table 1. Lending Volume

LENDING VOLUME		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Buffalo Niagara NY MSA	30.58	14,087	1,292,525	10,087	846,153	25	1,774	56	101,035	24,255	2,241,487	65.62
Limited Review:												
Albany NY MSA	10.45	6,257	798,147	2,010	237,240	0	0	24	41,490	8,291	1,076,877	4.92
Binghamton NY MSA	3.85	2,295	184,934	749	46,253	6	180	3	225	3,053	231,592	1.57
Elmira NY MSA	1.10	581	33,104	286	15,346	5	110	2	200	874	48,760	0.85
Ithaca NY MSA	0.72	417	47,065	148	7,201	1	12	0	0	566	54,278	0.60
Kingston NY MSA	1.30	924	116,430	108	8,323	0	0	3	1,315	1,035	126,068	0.23
Non MSA NY	13.87	7,874	616,445	3,029	258,663	77	4,590	48	23,437	11,028	903,135	6.61
Poughkeepsie NY MSA	6.54	3,980	678,730	1,191	89,765	1	250	6	2,786	5,178	771,531	2.57
Rochester NY MSA	19.95	10,503	985,991	5,282	463,403	6	190	60	58,927	15,851	1,508,511	11.09
Syracuse NY MSA	8.54	4,470	357,887	2,274	251,810	16	1,078	21	36,073	6,781	646,848	4.30
Utica Rome NY MSA	3.10	1,711	127,482	738	51,923	3	476	13	2,650	2,465	182,531	1.63

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Buffalo Niagara NY MSA	8,132	33.20	4.34	2.16	13.17	12.33	51.87	52.24	30.61	33.26	16.45	20.90	18.78	17.08	14.62	
Limited Review:																
Albany NY MSA	2,678	10.93	2.90	5.49	10.88	14.97	54.67	53.62	31.55	25.91	6.40	7.25	7.14	6.96	4.94	
Binghamton NY MSA	1,176	4.80	0.97	1.19	9.07	17.35	61.79	52.38	28.17	29.08	13.29	18.18	16.49	12.02	13.90	
Elmira NY MSA	197	0.80	0.44	0.00	9.73	8.12	63.37	65.48	26.45	26.40	5.75	0.00	1.82	7.18	4.50	
Ithaca NY MSA	164	0.67	0.00	0.00	6.41	12.20	82.16	74.39	11.43	13.41	4.52	0.00	10.23	4.15	3.27	
Kingston NY MSA	179	0.73	0.00	0.00	8.34	14.53	76.90	73.74	14.76	11.73	2.17	0.00	1.47	2.32	1.95	
Non MSA NY	2,423	9.89	0.12	0.33	5.62	7.10	82.93	81.26	11.32	11.31	7.36	0.00	7.69	7.39	7.04	
Poughkeepsie NY MSA	1,207	4.93	2.07	5.39	8.38	11.85	66.59	63.05	22.96	19.72	3.74	6.55	3.75	3.47	4.04	
Rochester NY MSA	6,162	25.15	3.78	3.72	12.44	15.25	49.42	49.85	34.36	31.17	12.54	10.46	14.84	13.11	11.16	
Syracuse NY MSA	1,674	6.83	2.62	3.52	11.60	14.99	52.49	48.33	33.28	33.15	4.48	5.19	6.16	4.21	4.21	
Utica Rome NY MSA	505	2.06	3.44	5.54	10.51	12.48	56.56	49.50	29.49	32.48	6.31	19.15	7.18	5.36	6.38	

* Based on 2007 Peer Mortgage Data (Eastern)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2008			Geography: NEW YORK						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Buffalo Niagara NY MSA	2,037	19.39	4.34	4.81	13.17	14.24	51.87	55.23	30.61	25.72	17.60	18.97	15.77	17.51	18.40
Limited Review:															
Albany NY MSA	1,105	10.52	2.90	4.52	10.88	17.65	54.67	57.65	31.55	20.18	12.23	20.79	18.78	11.87	8.98
Binghamton NY MSA	408	3.88	0.97	1.47	9.07	12.25	61.79	63.24	28.17	23.04	9.68	16.67	14.95	9.61	8.09
Elmira NY MSA	183	1.74	0.44	1.64	9.73	12.02	63.37	69.40	26.45	16.94	9.57	50.00	10.20	10.43	6.10
Ithaca NY MSA	103	0.98	0.00	0.00	6.41	6.80	82.16	89.32	11.43	3.88	9.11	0.00	13.79	9.02	6.06
Kingston NY MSA	246	2.34	0.00	0.00	8.34	13.82	76.90	77.24	14.76	8.94	9.29	0.00	12.63	9.44	5.41
Non MSA NY	2,385	22.70	0.12	0.38	5.62	6.12	82.93	85.03	11.32	8.47	14.33	50.00	20.56	13.99	13.11
Poughkeepsie NY MSA	809	7.70	2.07	3.21	8.38	13.47	66.59	65.14	22.96	18.17	8.67	14.10	11.74	8.41	7.45
Rochester NY MSA	1,465	13.94	3.78	4.16	12.44	16.93	49.42	57.54	34.36	21.37	12.13	11.19	13.81	12.73	10.19
Syracuse NY MSA	1,221	11.62	2.62	2.21	11.60	14.99	52.49	56.27	33.28	26.54	14.35	15.69	18.83	14.56	12.31
Utica Rome NY MSA	546	5.20	3.44	3.48	10.51	13.37	56.56	60.62	29.49	22.53	12.34	8.33	14.81	12.60	11.22

* Based on 2007 Peer Mortgage Data (Eastern)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: NEW YORK					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp						
Full Review:																					
Buffalo Niagara NY MSA	3,900	21.63	4.34	2.69	13.17	11.82	51.87	54.92	30.61	30.56	12.58	16.98	14.05	13.77	10.06						
Limited Review:																					
Albany NY MSA	2,467	13.68	2.90	3.36	10.88	15.69	54.67	56.34	31.55	24.60	6.18	6.76	7.12	6.33	5.34						
Binghamton NY MSA	708	3.93	0.97	0.42	9.07	11.86	61.79	65.82	28.17	21.89	10.33	16.67	13.24	10.80	8.11						
Elmira NY MSA	201	1.11	0.44	0.50	9.73	11.44	63.37	62.69	26.45	25.37	7.61	50.00	10.71	8.04	5.75						
Ithaca NY MSA	150	0.83	0.00	0.00	6.41	10.00	82.16	81.33	11.43	8.67	5.48	0.00	7.69	5.40	4.50						
Kingston NY MSA	498	2.76	0.00	0.00	8.34	11.65	76.90	75.90	14.76	12.45	4.17	0.00	7.28	3.80	4.03						
Non MSA NY	3,051	16.92	0.12	0.26	5.62	6.52	82.93	83.09	11.32	10.13	10.43	11.11	11.41	10.84	7.36						
Poughkeepsie NY MSA	1,959	10.86	2.07	3.93	8.38	12.91	66.59	65.70	22.96	17.46	4.52	5.25	5.00	4.57	3.97						
Rochester NY MSA	2,868	15.90	3.78	4.01	12.44	15.10	49.42	54.46	34.36	26.43	11.69	13.45	15.69	12.61	8.68						
Syracuse NY MSA	1,572	8.72	2.62	2.93	11.60	11.70	52.49	55.09	33.28	30.28	8.15	6.57	8.25	9.02	6.96						
Utica Rome NY MSA	660	3.66	3.44	3.64	10.51	10.30	56.56	63.33	29.49	22.73	9.20	10.53	11.76	9.92	6.96						

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Buffalo Niagara NY MSA	18	31.03	18.07	0.00	14.71	22.22	43.80	44.44	23.42	33.33	4.17	0.00	11.76	3.23	3.23	
Limited Review:																
Albany NY MSA	7	12.07	19.22	14.29	14.73	42.86	46.50	28.57	19.56	14.29	1.41	0.00	6.25	0.00	0.00	
Binghamton NY MSA	3	5.17	17.36	0.00	37.04	33.33	30.23	66.67	15.37	0.00	0.00	0.00	0.00	0.00	0.00	
Elmira NY MSA	0	0.00	24.68	0.00	31.06	0.00	36.68	0.00	7.58	0.00	0.00	0.00	0.00	0.00	0.00	
Ithaca NY MSA	0	0.00	0.00	0.00	39.70	0.00	42.66	0.00	17.64	0.00	0.00	0.00	0.00	0.00	0.00	
Kingston NY MSA	1	1.72	0.00	0.00	30.39	0.00	63.99	100.00	5.62	0.00	0.00	0.00	0.00	0.00	0.00	
Non MSA NY	14	24.14	2.73	7.14	15.77	7.14	74.29	85.71	7.20	0.00	5.26	0.00	0.00	7.27	0.00	
Poughkeepsie NY MSA	4	6.90	15.63	0.00	20.85	25.00	59.37	75.00	4.16	0.00	4.55	0.00	0.00	9.52	0.00	
Rochester NY MSA	8	13.79	16.47	25.00	20.27	25.00	41.02	37.50	22.24	12.50	0.00	0.00	0.00	0.00	0.00	
Syracuse NY MSA	3	5.17	27.53	33.33	23.45	66.67	32.78	0.00	16.24	0.00	1.96	9.09	0.00	0.00	0.00	
Utica Rome NY MSA	0	0.00	26.85	0.00	27.54	0.00	30.15	0.00	15.45	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NEW YORK								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Buffalo Niagara NY MSA	9,079	36.47	9.56	9.24	13.31	14.78	45.43	45.28	29.90	30.70	11.41	17.75	16.11	9.77	8.74
Limited Review:															
Albany NY MSA	2,010	8.07	12.18	13.03	12.05	16.37	48.56	44.18	27.22	26.42	2.65	5.62	4.95	2.25	2.17
Binghamton NY MSA	749	3.01	7.84	9.08	15.36	25.77	52.11	37.78	24.70	27.37	4.27	6.05	9.17	2.98	3.76
Elmira NY MSA	286	1.15	12.58	9.44	16.27	25.17	46.51	40.21	24.60	25.17	6.12	10.00	11.67	5.03	4.55
Ithaca NY MSA	148	0.59	0.00	0.00	25.41	18.24	62.47	76.35	12.13	5.41	1.55	0.00	1.45	1.85	0.61
Kingston NY MSA	108	0.43	0.00	0.00	11.61	9.26	75.08	73.15	13.31	17.59	0.42	0.00	0.33	0.49	0.41
Non MSA NY	3,028	12.16	1.30	2.38	9.11	10.11	79.58	79.06	9.94	8.45	3.78	13.48	6.85	3.91	2.50
Poughkeepsie NY MSA	1,191	4.78	7.63	12.51	12.85	11.59	60.93	55.16	18.58	20.74	1.57	2.70	2.22	1.53	1.44
Rochester NY MSA	5,281	21.22	9.98	8.27	15.31	16.83	44.25	45.50	30.34	29.39	6.46	10.35	10.58	6.49	4.67
Syracuse NY MSA	2,274	9.14	14.33	19.70	12.81	12.31	46.96	46.26	25.90	21.72	4.66	9.44	7.01	4.15	3.44
Utica Rome NY MSA	738	2.96	12.02	18.56	14.10	18.70	49.46	36.72	24.42	26.02	4.31	8.18	8.81	3.14	3.68

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
Full Review:																
Buffalo Niagara NY MSA	25	17.86	2.03	0.00	4.81	0.00	58.41	48.00	34.26	52.00	4.74	0.00	0.00	4.55	5.97	
Limited Review:																
Albany NY MSA	0	0.00	1.98	0.00	7.48	0.00	60.90	0.00	29.64	0.00	0.00	0.00	0.00	0.00	0.00	
Binghamton NY MSA	6	4.29	1.05	0.00	5.25	0.00	77.94	100.00	15.76	0.00	1.94	0.00	0.00	2.20	0.00	
Elmira NY MSA	5	3.57	1.88	0.00	9.38	0.00	67.50	0.00	21.25	100.00	11.11	0.00	0.00	0.00	50.00	
Ithaca NY MSA	1	0.71	0.00	0.00	6.59	0.00	84.25	100.00	9.16	0.00	3.70	0.00	0.00	4.55	0.00	
Kingston NY MSA	0	0.00	0.00	0.00	4.95	0.00	73.40	0.00	21.65	0.00	0.00	0.00	0.00	0.00	0.00	
Non MSA NY	77	55.00	0.14	0.00	2.79	0.00	86.80	100.00	10.28	0.00	1.40	0.00	0.00	1.59	0.00	
Poughkeepsie NY MSA	1	0.71	1.02	0.00	7.83	100.00	63.92	0.00	27.24	0.00	0.96	0.00	6.25	0.00	0.00	
Rochester NY MSA	6	4.29	1.39	0.00	7.14	0.00	63.41	66.67	28.06	33.33	0.68	0.00	0.00	0.47	1.72	
Syracuse NY MSA	16	11.43	2.59	0.00	9.05	31.25	49.58	50.00	38.78	18.75	5.45	0.00	18.18	5.17	3.03	
Utica Rome NY MSA	3	2.14	1.89	0.00	4.55	0.00	71.59	100.00	21.97	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2008 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Buffalo Niagara NY MSA	8,132	33.20	20.37	9.65	18.07	29.12	22.08	29.44	39.48	31.79	16.18	22.28	21.41	14.76	12.16
Limited Review:															
Albany NY MSA	2,678	10.93	18.97	5.88	18.43	27.39	23.13	31.00	39.47	35.74	6.27	9.16	9.97	5.93	4.29
Binghamton NY MSA	1,176	4.80	18.72	9.08	19.02	24.87	23.21	30.65	39.04	35.40	13.24	19.21	13.98	14.60	11.11
Elmira NY MSA	197	0.80	18.47	7.86	18.72	22.14	23.44	34.29	39.37	35.71	5.79	5.88	6.70	6.83	4.65
Ithaca NY MSA	164	0.67	19.53	8.89	17.96	22.96	23.38	29.63	39.13	38.52	4.56	6.67	4.50	3.92	4.60
Kingston NY MSA	179	0.73	19.23	2.61	18.20	13.04	23.74	30.43	38.83	53.91	2.11	1.69	2.75	1.68	2.18
Non MSA NY	2,423	9.89	18.86	6.23	18.73	21.43	23.24	29.77	39.17	42.57	7.36	8.57	8.13	7.93	6.57
Poughkeepsie NY MSA	1,207	4.93	19.14	3.35	18.04	19.85	24.40	34.66	38.41	42.14	3.59	7.84	6.15	3.74	2.46
Rochester NY MSA	6,162	25.15	20.02	11.76	18.06	29.89	22.56	28.46	39.36	29.89	12.83	19.11	16.43	11.65	9.63
Syracuse NY MSA	1,674	6.83	20.49	10.58	17.95	26.09	21.54	29.12	40.02	34.21	4.26	6.73	6.14	3.58	3.34
Utica Rome NY MSA	505	2.06	19.49	9.07	17.60	27.45	22.45	26.25	40.46	37.23	6.15	12.67	6.35	4.71	5.78

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 22.0% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: NEW YORK								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Buffalo Niagara NY MSA	2,037	19.38	20.37	12.85	18.07	25.80	22.08	31.89	39.48	29.46	17.44	13.13	16.26	20.49	17.41
Limited Review:															
Albany NY MSA	1,105	10.51	18.97	10.67	18.43	28.46	23.13	35.00	39.47	25.87	12.40	11.38	13.43	15.83	9.59
Binghamton NY MSA	408	3.88	18.72	11.08	19.02	29.29	23.21	31.93	39.04	27.70	9.80	4.79	11.81	12.29	8.45
Elmira NY MSA	183	1.74	18.47	10.86	18.72	26.29	23.44	28.57	39.37	34.29	9.86	10.96	8.15	10.00	10.39
Ithaca NY MSA	103	0.98	19.53	7.00	17.96	31.00	23.38	35.00	39.13	27.00	9.13	7.55	9.80	16.52	4.47
Kingston NY MSA	246	2.34	19.23	7.95	18.20	27.20	23.74	28.87	38.83	35.98	9.76	8.06	16.98	8.89	7.69
Non MSA NY	2,386	22.70	18.86	7.72	18.73	22.88	23.24	33.38	39.17	36.02	14.45	8.92	14.92	16.20	14.38
Poughkeepsie NY MSA	809	7.70	19.14	7.70	18.04	20.85	24.40	35.19	38.41	36.25	8.77	8.70	11.35	9.07	7.44
Rochester NY MSA	1,465	13.94	20.02	14.56	18.06	33.41	22.56	27.75	39.36	24.28	12.24	9.46	14.33	12.13	11.75
Syracuse NY MSA	1,221	11.62	20.49	10.98	17.95	30.34	21.54	30.68	40.02	28.00	14.36	14.29	18.78	15.62	11.02
Utica Rome NY MSA	546	5.20	19.49	9.92	17.60	24.24	22.45	34.92	40.46	30.92	12.41	5.67	10.36	17.73	11.39

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 7.4% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2008		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overa II	Low	Mod	Mid	Upp
Full Review:															
Buffalo Niagara NY MSA	3,900	21.62	20.37	8.38	18.07	23.93	22.08	31.33	39.48	36.35	13.03	13.45	14.76	14.02	11.26
Limited Review:															
Albany NY MSA	2,467	13.68	18.97	5.62	18.43	23.03	23.13	38.05	39.47	33.30	6.36	5.81	6.32	7.35	5.67
Binghamton NY MSA	708	3.93	18.72	6.98	19.02	27.73	23.21	32.56	39.04	32.74	10.23	3.01	12.14	13.11	8.49
Elmira NY MSA	201	1.11	18.47	13.38	18.72	19.11	23.44	28.03	39.37	39.49	7.43	10.67	7.73	7.57	6.50
Ithaca NY MSA	150	0.83	19.53	4.96	17.96	24.79	23.38	32.23	39.13	38.02	5.53	1.56	3.56	8.15	5.49
Kingston NY MSA	498	2.76	19.23	5.49	18.20	15.38	23.74	31.87	38.83	47.25	4.19	3.39	3.82	4.98	3.90
Non MSA NY	3,051	16.92	18.86	3.90	18.73	19.53	23.24	32.52	39.17	44.05	10.73	8.52	12.50	12.15	9.50
Poughkeepsie NY MSA	1,960	10.87	19.14	4.16	18.04	17.09	24.40	35.53	38.41	43.22	4.45	3.11	3.98	4.86	4.52
Rochester NY MSA	2,868	15.90	20.02	8.30	18.06	27.83	22.56	35.51	39.36	28.36	12.15	8.65	14.36	14.32	9.85
Syracuse NY MSA	1,572	8.72	20.49	7.06	17.95	23.53	21.54	30.50	40.02	38.91	8.19	6.44	7.59	8.78	8.36
Utica Rome NY MSA	660	3.66	19.49	4.11	17.60	21.12	22.45	33.83	40.46	40.93	9.51	8.44	8.53	10.35	9.54

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 25.1% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 2008			Geography: NEW YORK		Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Buffalo Niagara NY MSA	10,087	38.94	61.93	58.41	84.07	7.89	8.04	11.41	20.93
Limited Review:									
Albany NY MSA	2,010	7.76	61.28	57.76	74.43	13.58	11.99	2.65	5.49
Binghamton NY MSA	749	2.89	57.30	71.70	90.52	4.94	4.54	4.27	9.70
Elmira NY MSA	286	1.10	57.87	77.27	91.26	4.90	3.85	6.12	15.76
Ithaca NY MSA	148	0.57	58.57	54.05	90.54	6.76	2.70	1.55	2.26
Kingston NY MSA	108	0.42	66.91	68.52	87.96	9.26	2.78	0.42	1.10
Non MSA NY	3,029	11.69	55.49	65.14	83.86	8.48	7.66	3.78	7.17
Poughkeepsie NY MSA	1,191	4.60	66.11	70.70	86.82	7.81	5.37	1.57	4.10
Rochester NY MSA	5,282	20.39	63.85	68.19	85.10	6.80	8.10	6.46	13.92
Syracuse NY MSA	2,274	8.78	63.13	56.77	78.89	9.23	11.87	4.66	9.03
Utica Rome NY MSA	738	2.85	58.57	65.18	84.42	10.84	4.74	4.31	8.79

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.14% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NEW YORK			Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Buffalo Niagara NY MSA	25	17.86	95.69	88.00	88.00	12.00	0.00	4.74	5.26
Limited Review:									
Albany NY MSA	0	0.00	97.18	0.00	0.00	0.00	0.00	0.00	0.00
Binghamton NY MSA	6	4.29	97.27	100.00	100.00	0.00	0.00	1.94	2.44
Elmira NY MSA	5	3.57	97.50	100.00	100.00	0.00	0.00	11.11	20.00
Ithaca NY MSA	1	0.71	96.70	100.00	100.00	0.00	0.00	3.70	4.35
Kingston NY MSA	0	0.00	95.05	0.00	0.00	0.00	0.00	0.00	0.00
Non MSA NY	77	55.00	96.37	92.21	83.12	15.58	1.30	1.40	1.66
Poughkeepsie NY MSA	1	0.71	96.18	0.00	0.00	100.00	0.00	0.96	0.00
Rochester NY MSA	6	4.29	95.12	100.00	100.00	0.00	0.00	0.68	1.05
Syracuse NY MSA	16	11.43	95.38	100.00	87.50	0.00	12.50	5.45	7.69
Utica Rome NY MSA	3	2.14	97.92	100.00	33.33	66.67	0.00	0.00	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2008).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2009		Geography: NEW YORK				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30,			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Buffalo Niagara NY MSA	4	8,960	114	122,853	118	131,813	67.21	1	2,500
Limited Review:									
Albany NY MSA	1	2,711	39	3,693	40	6,404	3.27	0	0
Binghamton NY MSA	1	932	6	8,440	7	9,372	4.78	0	0
Elmira NY MSA	0	0	0	0	0	0	0.00	0	0
Ithaca NY MSA	0	0	11	7,879	11	7,879	4.02	0	0
Kingston NY MSA	0	0	3	8	3	8	0.00	0	0
Non MSA NY	0	0	15	4,837	15	4,837	2.47	0	0
Poughkeepsie NY MSA	1	5,587	7	2,366	8	7,953	4.05	0	0
Rochester NY MSA	2	991	86	19,459	85	20,450	10.43	0	0
Syracuse NY MSA	0	0	32	7,400	32	7,400	3.77	0	0
Utica Rome NY MSA	0	0	2	4	2	4	0.00	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS 2006 TO SEPTEMBER 30, 2009								Geography: NEW YORK				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Buffalo Niagara NY MSA	65.62	60	32.79	15.00	13.33	45.00	23.33	0	4	0	-3	0	-1	8.78	16.45	47.62	26.35
Limited Review:																	
Albany NY MSA	4.92	13	7.10	15.38	23.08	38.46	23.08	0	1	0	0	-1	0	7.63	14.40	51.06	26.88
Binghamton NY MSA	1.57	10	5.46	10.00	20.00	40.00	30.00	0	1	0	-1	0	0	2.83	14.70	56.37	26.10
Elmira NY MSA	0.85	3	1.64	33.33	33.33	33.33	0.00	0	0	0	0	0	0	2.98	15.65	57.50	21.84
Ithaca NY MSA	0.60	3	1.64	0.00	33.33	33.33	33.33	0	0	0	0	0	0	0.00	13.96	67.88	18.15
Kingston NY MSA	0.23	1	0.55	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	11.46	75.10	13.44
Non MSA NY	6.61	25	13.66	0.00	12.00	84.00	4.00	0	1	0	-1	0	0	0.60	8.67	79.69	10.34
Poughkeepsie NY MSA	2.57	10	5.46	0.00	20.00	70.00	10.00	0	1	-1	0	0	0	7.18	11.97	62.07	18.75
Rochester NY MSA	11.09	36	19.67	13.89	13.89	52.78	19.44	0	3	0	0	-3	0	9.26	15.08	46.13	28.85
Syracuse NY MSA	4.30	17	9.29	17.65	29.41	35.29	17.65	0	0	0	0	0	0	9.18	15.62	46.25	28.96
Utica Rome NY MSA	1.63	5	2.73	0.00	20.00	40.00	40.00	0	1	-1	0	0	0	7.58	14.97	51.87	25.56

* Two branches (3.33%) are located in geographies that do not have an income designation.

Table 1. Lending Volume

LENDING VOLUME		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Los Angeles MD	62.87	21,245	5,761,801	3,178	205,641	0	0	12	23,411	24,435	5,990,853	60.16
Limited Review:												
Oakland MD	10.17	3,803	1,213,920	148	9,086	0	0	1	2,000	3,952	1,225,006	8.83
San Francisco CA MD	5.01	1,674	685,208	273	28,934	0	0	3	24,578	1,950	738,720	16.55
San Jose -Santa Clara CA	10.53	4,021	1,500,926	68	3,767	0	0	1	1,000	4,090	1,505,693	9.67
Santa Ana-Anaheim-Irvine	11.41	4,267	1,229,621	167	14,222	0	0	1	1,000	4,435	1,244,843	4.78

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Los Angeles MD	7,581	64.88	1.91	4.30	15.46	24.42	31.30	39.32	51.33	31.96	1.05	0.90	1.25	1.24	0.86	
Limited Review:																
Oakland MD	1,158	9.91	4.37	10.71	13.50	21.68	44.98	45.42	37.16	22.19	1.06	0.90	1.23	1.05	1.05	
San Francisco CA MD	547	4.68	1.52	7.50	15.01	23.40	46.49	50.82	36.98	18.28	0.70	1.30	0.87	0.74	0.45	
San Jose -Santa Clara CA MD	913	7.81	1.17	2.52	14.81	24.32	48.40	50.38	35.63	22.78	1.01	0.30	1.03	1.07	0.96	
Santa Ana-Anaheim-Irvine CA MD	1,485	12.71	1.25	3.70	19.56	35.49	33.56	35.42	45.63	25.39	0.50	1.59	0.60	0.65	0.33	

* Based on 2007 Peer Mortgage Data (Western)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2008		Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Los Angeles MD	3,840	68.35	1.91	3.52	15.46	24.82	31.30	40.52	51.33	31.15	3.67	3.81	4.38	4.03	2.94
Limited Review:															
Oakland MD	402	7.16	4.37	11.19	13.50	25.37	44.98	41.29	37.16	22.14	2.65	3.92	3.37	2.70	1.71
San Francisco CA MD	226	4.02	1.52	3.10	15.01	25.66	46.49	57.96	36.98	13.27	1.93	0.00	1.65	2.48	1.38
San Jose -Santa Clara CA MD	284	5.06	1.17	1.41	14.81	28.87	48.40	54.58	35.63	15.14	2.12	3.23	3.07	2.14	1.28
Santa Ana-Anaheim-Irvine CA MD	866	15.41	1.25	1.50	19.56	27.14	33.56	39.38	45.63	31.99	2.68	5.33	3.17	3.22	1.84

* Based on 2007 Peer Mortgage Data (Western)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 2008			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Los Angeles MD	9,803	55.43	1.91	3.25	15.46	19.60	31.30	40.92	51.33	36.23	1.26	1.07	1.05	1.51	1.16
Limited Review:															
Oakland MD	2,243	12.68	4.37	5.35	13.50	12.84	44.98	39.32	37.16	42.49	2.30	1.17	0.96	2.13	3.43
San Francisco CA MD	900	5.09	1.52	3.22	15.01	22.00	46.49	52.89	36.98	21.89	1.07	1.15	1.11	1.16	0.90
San Jose -Santa Clara CA MD	2,824	15.97	1.17	1.03	14.81	16.18	48.40	43.31	35.63	39.48	3.10	2.20	2.43	2.85	3.92
Santa Ana-Anaheim-Irvine CA MD	1,916	10.83	1.25	2.40	19.56	26.36	33.56	35.13	45.63	36.12	0.66	0.89	0.79	0.66	0.59

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Los Angeles MD	5	83.33	12.96	0.00	31.74	60.00	28.34	40.00	26.96	0.00	0.01	0.00	0.04	0.00	0.00	
Limited Review:																
Oakland MD	0	0.00	16.35	0.00	29.34	0.00	43.18	0.00	11.13	0.00	0.00	0.00	0.00	0.00	0.00	
San Francisco CA MD	1	16.67	20.81	0.00	25.25	100.00	30.49	0.00	23.45	0.00	0.00	0.00	0.00	0.00	0.00	
San Jose -Santa Clara CA MD	0	0.00	6.98	0.00	25.75	0.00	53.88	0.00	13.39	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Ana-Anaheim-Irvine CA MD	0	0.00	6.27	0.00	41.07	0.00	33.61	0.00	19.05	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2007 Peer Mortgage Data (Western)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 31, 2008			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles MD	3,169	82.87	7.94	9.21	21.05	16.41	26.58	15.68	43.63	58.69	0.23	0.39	0.21	0.14	0.28
Limited Review:															
Oakland MD	148	3.87	14.35	29.05	18.22	14.19	39.06	31.76	28.17	25.00	0.09	0.26	0.07	0.07	0.07
San Francisco CA MD	273	7.14	17.97	26.74	21.35	20.51	33.27	28.21	27.30	24.54	0.10	0.29	0.11	0.06	0.09
San Jose -Santa Clara CA MD	68	1.78	3.00	0.00	23.04	17.65	43.67	22.06	30.30	60.29	0.03	0.00	0.04	0.02	0.06
Santa Ana-Anaheim-Irvine CA MD	166	4.34	3.13	1.81	29.05	44.58	35.25	40.96	31.76	12.65	0.03	0.00	0.07	0.04	0.01

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles MD	7,590	64.91	23.87	0.17	16.49	1.72	17.40	9.13	42.24	88.99	0.58	0.00	0.38	1.02	0.57
Limited Review:															
Oakland MD	1,158	9.90	23.10	2.38	17.78	11.16	21.07	22.80	38.05	63.66	0.63	0.00	0.38	1.13	0.55
San Francisco CA MD	547	4.68	22.20	3.54	17.98	10.10	20.36	24.75	39.47	61.62	0.44	0.00	0.50	1.10	0.38
San Jose -Santa Clara CA MD	913	7.81	20.21	1.66	17.95	6.22	21.63	32.78	40.21	59.34	0.60	0.00	0.31	1.27	0.48
Santa Ana-Anaheim-Irvine CA MD	1,485	12.70	20.69	0.00	17.97	2.64	20.68	21.51	40.65	75.85	0.16	0.00	0.07	0.33	0.14

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 70.0% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles MD	3,841	68.36	23.87	4.89	16.49	10.96	17.40	24.31	42.24	59.83	4.06	7.22	6.49	5.62	3.44
Limited Review:															
Oakland MD	402	7.15	23.10	11.76	17.78	19.95	21.07	28.90	38.05	39.39	2.92	5.67	4.21	4.00	1.99
San Francisco CA MD	226	4.02	22.20	13.45	17.98	26.91	20.36	21.52	39.47	38.12	2.15	4.17	6.17	2.14	1.37
San Jose -Santa Clara CA MD	284	5.05	20.21	13.60	17.95	21.32	21.63	31.99	40.21	33.09	2.30	5.96	4.29	3.17	1.31
Santa Ana-Anaheim-Irvine CA MD	866	15.41	20.69	7.78	17.97	15.80	20.68	28.30	40.65	48.11	2.92	7.17	3.39	3.78	2.30

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2008			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*						
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overa II	Low	Mod	Mid	Upp
Full Review:																	
Los Angeles MD	9,809	55.44	23.87	0.61	16.49	4.37	17.40	15.08	42.24	79.94	1.05	0.54	0.82	1.02	1.07		
Limited Review:																	
Oakland MD	2,243	12.68	23.10	2.16	17.78	9.11	21.07	25.78	38.05	62.95	1.63	0.48	0.99	1.83	1.70		
San Francisco CA MD	900	5.09	22.20	2.58	17.98	11.94	20.36	28.34	39.47	57.14	0.80	0.19	1.38	1.44	0.63		
San Jose -Santa Clara CA MD	2,824	15.96	20.21	3.07	17.95	9.34	21.63	29.36	40.21	58.23	2.13	1.43	1.61	3.14	1.92		
Santa Ana-Anaheim-Irvine CA MD	1,916	10.83	20.69	1.89	17.97	8.96	20.68	28.29	40.65	60.86	0.52	0.47	0.60	0.71	0.45		

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 50.9% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: CALIFORNIA		Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Los Angeles MD	3,178	82.89	67.99	39.52	91.50	4.85	3.65	0.23	0.31
Limited Review:									
Oakland MD	148	3.86	67.19	66.22	90.54	6.76	2.70	0.09	0.16
San Francisco CA MD	273	7.12	66.58	71.06	84.62	7.33	8.06	0.10	0.22
San Jose -Santa Clara CA MD	68	1.77	66.04	66.18	85.29	10.29	4.41	0.03	0.06
Santa Ana-Anaheim-Irvine CA MD	167	4.36	67.66	63.47	94.01	1.80	4.19	0.03	0.07

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.29% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2009		Geography: CALIFORNIA				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30,			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Los Angeles MD	5	12,172	88	11,848	93	24,020	55.44	1	2,450
Limited Review:									
Oakland MD	1	4,168	28	2,017	29	6,185	14.28	0	0
San Francisco CA MD	1	5,833	47	3,392	48	9,225	21.29	0	0
San Jose -Santa Clara CA MD	0	0	11	2,404	11	2,404	5.55	1	1,250
Santa Ana-Anaheim- Irvine CA MD	0	0	9	1,491	9	1,491	3.44	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: CALIFORNIA				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Los Angeles MD	60.16	15	53.57	13.33	13.33	40.00	33.33	6	0	0	+1	+3	+2	8.00	29.44	30.88	31.58
Limited Review:																	
Oakland MD	8.83	3	10.71	33.33	0.00	33.33	33.33	2	0	0	0	+1	+1	10.69	21.48	41.34	26.44
San Francisco CA MD	16.55	5	17.86	20.00	20.00	60.00	0.00	3	0	0	+1	+2	0	7.46	24.42	42.59	25.53
San Jose -Santa Clara CA MD	9.67	3	10.71	0.00	0.00	33.33	66.66	3	0	0	0	+1	+2	4.03	22.79	47.69	25.49
Santa Ana-Anaheim-Irvine CA MD	4.78	2	7.14	0.00	50.00	0.00	50.00	2	0	0	+1	0	+1	4.95	30.96	31.84	32.26

Table 1. Lending Volume

LENDING VOLUME		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Miami FL MD	49.39	10,235	2,208,207	1,684	159,359	1	75	20	13,691	11,940	2,381,332	80.06
Limited Review:												
Fort Lauderdale FL MD	32.37	7,100	1,320,379	712	71,276	0	0	3	2,643	7,815	1,394,298	11.00
West Palm Beach FL MD	18.24	4,073	764,720	329	38,145	0	0	4	1,600	4,406	804,465	8.94

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Miami FL MD	4,957	52.61	1.69	4.36	19.82	24.73	36.99	39.56	41.51	31.35	1.67	1.79	2.04	1.80	1.29	
Limited Review:																
Fort Lauderdale FL MD	2,729	28.96	1.16	4.10	23.67	28.69	45.93	46.61	29.24	20.59	1.35	2.48	1.70	1.38	0.94	
West Palm Beach FL MD	1,737	18.43	1.53	4.49	24.63	32.87	36.35	36.61	37.50	26.02	1.55	3.59	2.27	1.59	0.93	

* Based on 2007 Peer Mortgage Data (Eastern)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT												Geography: FLORIDA					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Miami FL MD	1,075	47.44	1.69	1.95	19.82	22.98	36.99	44.09	41.51	30.98	7.22	6.33	7.79	8.32	5.77						
Limited Review:																					
Fort Lauderdale FL MD	803	35.44	1.16	3.11	23.67	32.63	45.93	43.59	29.24	20.67	5.50	5.71	8.24	5.46	3.19						
West Palm Beach FL MD	388	17.12	1.53	5.41	24.63	31.96	36.35	41.49	37.50	21.13	5.22	17.50	6.40	6.16	2.49						

* Based on 2007 Peer Mortgage Data (Eastern)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 2008			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
Miami FL MD	4,170	43.08	1.69	2.83	19.82	23.41	36.99	41.77	41.51	31.99	1.75	2.01	1.83	1.90	1.54	
Limited Review:																
Fort Lauderdale FL MD	3,565	36.83	1.16	2.52	23.67	28.30	45.93	47.49	29.24	21.68	2.01	1.73	2.27	2.14	1.60	
West Palm Beach FL MD	1,945	20.09	1.53	4.73	24.63	30.18	36.35	37.33	37.50	27.76	1.33	2.77	1.61	1.33	1.03	

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Miami FL MD	4	57.14	6.85	0.00	35.49	0.00	30.24	25.00	27.42	75.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Fort Lauderdale FL MD	3	42.86	2.27	0.00	32.48	100.00	48.64	0.00	16.61	0.00	0.36	0.00	0.93	0.00	0.00	
West Palm Beach FL MD	0	0.00	3.13	0.00	32.78	0.00	31.51	0.00	32.58	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA		Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008											
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Miami FL MD	1,667	61.70	4.97	5.88	22.25	20.46	32.20	29.57	40.13	44.09	0.43	0.93	0.46	0.41	0.40
Limited Review:															
Fort Lauderdale FL MD	712	26.35	4.82	6.60	22.76	24.86	42.53	43.40	29.90	25.14	0.24	0.43	0.39	0.22	0.16
West Palm Beach FL MD	323	11.95	3.42	4.64	21.29	10.53	34.64	39.32	40.49	45.51	0.16	0.35	0.09	0.19	0.15

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
Full Review:																
Miami FL MD	1	100.00	2.74	0.00	19.69	0.00	33.46	0.00	44.01	100.00	0.27	0.00	0.00	0.00	0.54	
Limited Review:																
Fort Lauderdale FL MD	0	0.00	4.14	0.00	23.08	0.00	42.10	0.00	30.68	0.00	0.00	0.00	0.00	0.00	0.00	
West Palm Beach FL MD	0	0.00	4.10	0.00	23.00	0.00	35.39	0.00	37.47	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2008 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Miami FL MD	4,973	52.67	23.00	0.87	16.98	3.31	18.53	13.60	41.50	82.22	1.18	12.18	4.31	1.97	0.99
Limited Review:															
Fort Lauderdale FL MD	2,729	28.91	20.85	2.42	18.17	8.54	20.48	27.55	40.50	61.49	0.90	2.14	0.96	1.15	0.79
West Palm Beach FL MD	1,739	18.42	19.86	2.82	18.56	16.35	20.60	25.47	40.98	55.36	1.22	4.56	3.80	1.69	0.67

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 62.9% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Miami FL MD	1,077	47.49	23.00	0.66	16.98	4.93	18.53	20.78	41.50	73.62	7.69	0.93	3.91	7.03	8.33
Limited Review:															
Fort Lauderdale FL MD	803	35.41	20.85	2.18	18.17	17.67	20.48	29.83	40.50	50.32	5.80	1.79	6.28	7.15	5.34
West Palm Beach FL MD	388	17.11	19.86	3.73	18.56	15.47	20.60	34.93	40.98	45.87	5.47	2.60	5.48	9.62	3.92

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2008			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overa II	Low	Mod	Mid	Upp	
Full Review:																
Miami FL MD	4,181	43.14	23.00	0.45	16.98	5.72	18.53	21.81	41.50	72.03	1.61	0.83	1.30	1.47	1.67	
Limited Review:																
Fort Lauderdale FL MD	3,565	36.78	20.85	2.68	18.17	15.37	20.48	29.80	40.50	52.14	1.88	0.87	1.92	2.12	1.82	
West Palm Beach FL MD	1,946	20.08	19.86	4.86	18.56	18.02	20.60	31.71	40.98	45.41	1.19	1.46	1.40	1.44	1.02	

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 39.8% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 2008		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Miami FL MD	1,684	61.80	64.74	55.52	82.78	10.93	6.29	0.43	0.91
Limited Review:									
Fort Lauderdale FL MD	712	26.13	66.53	60.81	84.97	7.30	7.72	0.24	0.55
West Palm Beach FL MD	329	12.07	65.34	60.18	77.51	13.07	9.42	0.16	0.34

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.04% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Miami FL MD	1	100.00	95.95	100.00	100.00	0.00	0.00	0.27	0.40
Limited Review:									
Fort Lauderdale FL MD	0	0.00	96.87	0.00	0.00	0.00	0.00	0.00	0.00
West Palm Beach FL MD	0	0.00	94.73	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2008 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2008).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FLORIDA				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Miami FL MD	4	2,492	51	13,878	55	16,371	49.60	0	0
Limited Review:									
Fort Lauderdale FL MD	0	0	6	15,038	6	15,038	45.56	0	0
West Palm Beach FL MD	1	234	17	1,366	18	1,600	4.84	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: FLORIDA				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Miami FL MD	80.06	10	50.00	10.00	0.00	20.00	70.00	0	0	0	0	0	0	4.89	28.61	35.68	30.79
Limited Review:																	
Fort Lauderdale FL MD	11.00	4	20.00	25.00	0.00	75.00	0.00	0	0	0	0	0	0	3.57	26.43	43.13	26.88
West Palm Beach FL MD	8.94	6	30.00	0.00	0.00	50.00	50.00	4	0	0	0	+2	+2	4.21	29.32	33.88	32.37

Table 1. Lending Volume

LENDING VOLUME 2008		Geography: DISTRICT OF COLUMBIA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Washington DC MD	100.00	1,332	352,116	68	6,539	0	0	5	22,564	1,405	381,219	100.00

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2008		Geography: DISTRICT OF COLUMBIA						Evaluation Period: JANUARY 1, 2006 TO							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Washington DC MD	615	100.00	14.93	41.14	35.01	37.89	14.09	5.69	35.96	15.28	1.11	2.00	1.02	0.70	0.48

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

* Based on 2007 Peer Mortgage Data (Eastern)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2008			Geography: DISTRICT OF COLUMBIA								Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa II	Low	Mod	Mid	Upp
Full Review:															
Washington DC MD	42	100.00	14.93	14.29	35.01	47.62	14.09	16.67	35.96	21.43	0.61	0.85	0.51	0.88	0.30

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2008			Geography: DISTRICT OF COLUMBIA								Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa II	Low	Mod	Mid	Upp
Full Review:															
Washington DC MD	675	100.00	14.93	28.30	35.01	47.85	14.09	10.67	35.96	13.19	1.27	1.23	1.42	0.69	1.39

* Based on 2007 Peer Mortgage Data (Eastern)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2008			Geography: DISTRICT OF COLUMBIA								Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Washington DC MD	61	100.00	21.69	14.75	24.65	8.20	6.39	0.00	37.43	77.05	0.12	0.13	0.04	0.00	0.18

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2008			Geography: DISTRICT OF COLUMBIA								Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Washington DC MD	615	100.00	40.26	5.77	17.67	24.62	14.62	33.46	27.45	36.15	0.70	1.29	1.52	0.77	0.30

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 57.7% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2008		Geography: DISTRICT OF COLUMBIA										Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Families***	% BANK Loans***	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Washington DC MD	42	100.00	40.26	15.00	17.67	22.50	14.62	25.00	27.45	37.50	0.53	0.37	0.44	0.23	0.93	

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2008		Geography: DISTRICT OF COLUMBIA										Evaluation Period: JANUARY 1, 2006 TO				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Families***	% BANK Loans****	% Families9	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans***	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
Washington DC MD	675	100.00	40.26	16.67	17.67	32.55	14.62	21.61	27.45	29.17	0.87	0.96	0.92	0.81	0.84	

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 4.8% of loans originated and purchased by bank.

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 43.1% of loans originated and purchased by bank.

Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2008			Geography: DISTRICT OF COLUMBIA			Evaluation Period: JANUARY 1, 2006 TO			
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Washington DC MD	68	100.00	65.22	55.88	79.41	4.41	16.18	0.12	0.29

Table 14. Qualified Investments

QUALIFIED INVESTMENTS SEPTEMBER 30, 2009		Geography: DISTRICT OF COLUMBIA				Evaluation Period: SEPTEMBER 26, 2006 TO			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Washington DC MD	2	2,810	48	10,615	50	13,425	100.00	0	0

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 14.71% of small loans to businesses originated and purchased by the bank.

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009								Geography: DISTRICT OF COLUMBIA				Evaluation Period:					
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Washington DC MD	100.00	4	100.00	0.00	0.00	0.00	75.00	1	0	0	0	0	+1	30.51	34.34	9.77	24.40

* One branch (25%) is located in a geography that does not have an income designation.

Table 1. Lending Volume

LENDING VOLUME		Geography: WASHINGTON						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Review:												
Seattle WA MD	100.00	5,657	1,316,873	115	10,434	0	0	5	2,039	5,777	1,329,346	100.00

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 2008		Geography: WASHINGTON						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Seattle WA MD	1,985	100.00	0.53	1.26	14.33	23.02	53.54	54.06	31.60	21.66	0.68	0.41	0.74	0.65	0.70

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

* Based on 2007 Peer Mortgage Data (Western)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2008			Geography: WASHINGTON						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Seattle WA MD	726	100.0	0.53	2.34	14.33	21.21	53.54	56.89	31.60	19.56	4.93	14.29	7.55	4.90	3.23

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 31, 2008			Geography: WASHINGTON						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Seattle WA MD	2,939	100.0	0.53	0.82	14.33	21.47	53.54	57.20	31.60	20.52	1.42	2.78	1.89	1.37	1.21

* Based on 2007 Peer Mortgage Data (Western)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Seattle WA MD	7	100.00	3.67	0.00	33.73	57.14	44.41	28.57	18.19	14.29	0.21	0.00	0.66	0.00	0.00	

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Seattle WA MD	115	100.00	2.80	0.00	23.39	14.78	44.54	28.70	29.27	56.52	0.04	0.00	0.01	0.03	0.08	

* Based on 2007 Peer Mortgage Data (Western)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: WASHINGTON						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Seattle WA MD	1,985	100.00	18.27	1.38	18.00	17.08	23.46	35.64	40.27	45.90	0.50	0.29	0.49	0.59	0.47

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 2008			Geography: WASHINGTON						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Seattle WA MD	726	100.00	18.27	5.91	18.00	15.89	23.46	39.24	40.27	38.96	5.03	8.98	3.78	7.42	3.77

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 49.0% of loans originated and purchased by bank.

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.1% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 31, 2008			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overa II	Low	Mod	Mid	Upp
Full Review:															
Seattle WA MD	2,939	100.00	18.27	2.99	18.00	17.77	23.46	35.54	40.27	43.70	1.29	1.07	1.24	1.55	1.18

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2008			Geography: WASHINGTON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*			
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less		
Full Review:											
Seattle WA MD	115	100.00	68.87	17.39	84.35	6.09	9.57	0.04	0.01		

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 36.2% of loans originated and purchased by bank.

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.87% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 30, 2009		Geography: WASHINGTON				Evaluation Period: : SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
Full Review:										
Seattle WA MD	5	4,489	11	773	16	5,262	100.00	0	0	

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS 26, 2006 TO SEPTEMBER 30, 2009				Geography: WASHINGTON				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009									
MA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of BANK Branches	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
			Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																	
Seattle WA MD	100.00	2	100.00	0.00	50.00	0.00	50.00	1	0	0	0	0	+1	2.10	20.65	50.92	26.33

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 1. Lending Volume

LENDING VOLUME		Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Portland OR MSA	100.00	2,081	293,280	37	12,391	0	0	1	4,637	2,119	310,308	100.00

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008									
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Portland OR MSA	679	100.00	0.98	0.29	28.80	43.00	47.65	45.51	22.57	11.19	0.26	0.00	0.18	0.32	0.28

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

* Based on 2007 Peer Mortgage Data (Western)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008								
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Portland OR MSA	309	100.00	0.98	1.62	28.80	42.72	47.65	44.98	22.57	10.68	6.25	6.67	8.07	6.13	3.10

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Portland OR MSA	1,093	100.00	0.98	1.56	28.80	42.73	47.65	47.03	22.57	8.69	1.27	1.08	1.59	1.32	0.51

* Based on 2007 Peer Mortgage Data (Western)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans						
Full Review:																
Portland OR MSA	37	100.00	9.23	8.11	34.24	29.73	34.89	43.24	21.63	18.92	0.03	0.04	0.04	0.03	0.03	

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share*				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****						
Full Review:																
Portland OR MSA	679	100.00	22.16	3.19	20.62	18.73	22.94	46.61	34.28	31.47	0.17	0.18	0.08	0.27	0.15	

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 63.0% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Portland OR MSA	309	100.00	22.16	4.65	20.62	26.25	22.94	35.55	34.28	33.55	6.49	4.82	8.21	7.23	5.38	

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: OREGON				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
Portland OR MSA	1,093	100.00	22.16	2.77	20.62	23.00	22.94	36.87	34.28	37.36	1.13	0.40	0.84	1.42	1.14	

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by bank.

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 43.9% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: OREGON			Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008	
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Portland OR MSA	37	100.00	65.04	67.57	43.24	10.81	45.95	0.03	0.04

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: OREGON					Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Portland OR MSA	2	1,464	13	1,184	15	2,648	100.00	0	0

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.00% of small loans to businesses originated and purchased by the bank.

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: OREGON				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Portland OR MSA	100.00	1	100.00	0.00	0.00	0.00	100.00	0	0	0	0	0	0	2.23	36.30	44.22	17.25

Table 1. Lending Volume

LENDING VOLUME		Geography: MULTISTATE						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Philadelphia PA MD	69.10	5,431	504,381	388	30,162	0	0	6	11,187	5,825	545,730	6.62
Wilmington DE MD	30.90	2,563	354,630	39	2,399	0	0	6	5,903	2,608	362,932	93.38

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 26, 2006 to October 05, 2009.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: MULTISTATE						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Philadelphia PA MD	1,231	74.52	23.30	18.20	43.70	52.48	28.82	28.03	4.18	1.30	1.26	1.70	1.54	0.85	0.23
Wilmington DE MD	421	25.48	1.53	4.04	14.54	30.17	51.24	53.92	32.69	11.88	0.45	0.76	0.68	0.50	0.19

* Based on 2007 Peer Mortgage Data (Eastern)

** Home purchase loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2008		Geography: MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Philadelphia PA MD	998	59.26	23.30	29.26	43.70	50.70	28.82	19.54	4.18	0.50	5.08	7.67	5.83	2.77	1.11
Wilmington DE MD	686	40.74	1.53	3.21	14.54	22.59	51.24	59.62	32.69	14.58	6.38	18.87	9.75	7.18	2.36

* Based on 2007 Peer Mortgage Data (Eastern)

** Home improvement loans originated and purchased in the MA/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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 31, 2008			Geography: MULTISTATE						Evaluation Period: JANUARY 1, 2006 TO DECEMBER						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Philadelphia PA MD	3,194	68.70	23.30	19.44	43.70	53.22	28.82	26.14	4.18	1.19	2.54	3.01	2.90	1.99	0.69
Wilmington DE MD	1,455	31.30	1.53	1.58	14.54	22.06	51.24	60.82	32.69	15.53	2.82	1.70	3.52	2.91	2.23

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MULTISTATE					Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa II	Low	Mod	Mid	Upp	
Full Review:																
Philadelphia PA MD	5	83.33	16.24	20.00	32.56	80.00	34.03	0.00	17.17	0.00	0.28	0.00	0.62	0.00	0.00	
Wilmington DE MD	1	16.67	5.53	0.00	21.17	100.00	53.68	0.00	19.62	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2007 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 31, 2008		Geography: MULTISTATE						Evaluation Period: JANUARY 1, 2006 TO DECEMBER							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Philadelphia PA MD	381	90.71	25.16	54.59	37.06	24.93	23.47	10.76	12.12	9.71	0.54	1.92	0.36	0.12	0.31
Wilmington DE MD	39	9.29	14.27	35.90	14.98	12.82	43.49	46.15	27.14	5.13	0.09	0.60	0.09	0.07	0.04

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MULTISTATE						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Philadelphia PA MD	1,232	74.53	38.71	21.14	21.29	38.73	18.78	22.22	21.23	17.90	1.06	2.14	1.48	0.83	0.41
Wilmington DE MD	421	25.47	18.53	5.99	17.33	29.94	23.55	38.32	40.59	25.75	0.18	0.32	0.10	0.16	0.22

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 50.7% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Philadelphia PA MD	998	59.26	38.71	29.78	21.29	38.66	18.78	20.27	21.23	11.29	5.08	6.47	6.46	4.42	2.69
Wilmington DE MD	686	40.74	18.53	9.99	17.33	33.08	23.55	36.51	40.59	20.42	6.44	5.63	8.37	8.74	3.61

* Based on 2007 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 3.3% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2008		Geography: MULTISTATE								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overa II	Low	Mod	Mid
Full Review:																
Philadelphia PA MD	3,196	68.72	38.71	21.45	21.29	36.32	18.78	28.73	21.23	13.50	2.35	2.96	2.64	2.78	1.22	
Wilmington DE MD	1,455	31.28	18.53	8.27	17.33	29.22	23.55	34.91	40.59	27.60	2.55	1.66	2.86	3.06	2.14	

* Based on 2007 Peer Mortgage Data (Eastern)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 44.0% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 2008		Geography: MULTISTATE			Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Philadelphia PA MD	388	90.87	62.42	71.65	87.37	7.47	5.15	0.54	1.42
Wilmington DE MD	39	9.13	64.16	71.79	92.31	2.56	5.13	0.09	0.17

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

**** 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 0.00% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2009		Geography: MULTISTATE				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30,			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Philadelphia PA MD	6	8,283	23	626	29	8,909	26.17	0	0
Wilmington DE MD	0	0	51	25,133	51	25,133	73.83	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: MULTISTATE				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Philadelphia PA MD	6.62	2	66.66	50.00	50.00	0.00	0.00	0	0	0	0	0	0	28.91	41.93	24.90	4.08
Wilmington DE MD	93.38	1	33.33	100.00	0.00	0.00	0.00	0	0	0	0	0	0	4.17	17.63	50.63	27.58

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: BROADER REGIONAL AREA				Evaluation Period: SEPTEMBER 26, 2006 TO SEPTEMBER 30, 2009			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Broader Regional Area with Potential to Benefit an AA	32	71,140	74	33,722	106	104,862	100.00	2	1,635
Broader Regional Area without Potential to Benefit an AA	10	31,028	3	125	13	31,153	100.00	0	0
Nationwide	0	0	14	3,570	14	3,570	100.00	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.