

PUBLIC DISCLOSURE

August 21, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Banco Popular North America
RSSD NO. 2736291**

**7 West 51st Street
New York, New York 10019**

Federal Reserve Bank of New York

**33 Liberty Street
New York, New York 10045**

NOTE:

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION

INSTITUTION'S CRA RATING: Banco Popular North America is rated **“OUTSTANDING.”**

The following table indicates the performance levels of Banco Popular North America (“BP North America”) with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	BANCO POPULAR NORTH AMERICA		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

BP North America's level of compliance with the Community Reinvestment Act ("CRA") is based on an evaluation of the performance criteria for large retail institutions specified under the CRA. In summary:

Performance under the lending test is rated "high satisfactory" based on the following findings:

- The number of home purchase, refinance, home improvement, multifamily, and small business loans originated and purchased by the bank represented good responsiveness to the credit needs in the bank's assessment areas, given the bank's size, recent history, and performance context issues.
- The overall geographic distribution of loans reflected excellent penetration throughout the assessment areas. Penetration was enhanced by the geographic distribution of multifamily loans, particularly in PMSA 5600 (New York, NY) and PMSA 1600 (Chicago, IL).
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- The bank had an excellent level of community development loans.

Performance under the investment test is rated "outstanding" based on the following finding:

- The bank had an excellent level of qualified investments.

Performance under the service test is rated "outstanding" based on the following findings:

- The bank's retail service delivery systems were readily accessible to geographies and individuals of different income levels in its assessment areas.
- The bank provided a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

BP North America is a principal subsidiary of Popular, Inc. ("Popular"), a bank holding company headquartered in San Juan, Puerto Rico. Created on January 1, 1999, BP North America is the result of a merger of ten banking affiliates in six states across the United States. Banco Popular, National Association ("NA"), a Texas affiliate, was merged into BP North America on January 1, 2000. As of December 31, 1999, BP North America and its Texas affiliate had total assets of \$4.8 billion.

The legal process of becoming a nationwide bank began in 1997. Popular owned numerous banking entities either directly or through Popular Holdings USA, Inc., a bank holding company with banks operating in New Jersey, Florida, Illinois, Texas, and California. The operations in New York were branches of Banco Popular de Puerto Rico ("BPPR"), a Popular affiliate headquartered in San Juan, Puerto Rico.

Seven of the ten merged banks had assets under \$250 million. The following chart details each merged bank and its total assets in '000s (for the year ended).

Banco Popular North America				
California	Texas	Illinois	Florida	New York
First State Bank Of Southern California \$196,515 (12/31/98)	Banco Popular, NA Texas \$185,908 (12/31/99)	The Bronson-Gore Bank in Prospect Heights \$91,583 (12/31/98)	Banco Popular, NA Florida \$214,450 (12/31/98)	Banco Popular de Puerto Rico (1) \$13,468,000 (12/31/98)
Banco Popular, NA California \$220,910 (12/31/98)		Water Tower Bank Chicago \$59,232 (12/31/98)		New Jersey
		The Irving Bank Chicago \$125,105 (12/31/98)		Banco Popular, NA Newark, NJ (2) \$1,770,123 (12/31/98)
		Banco Popular, Illinois Melrose Park, Illinois \$1,070,379 (12/31/98)		

(1) Assets reflect Banco Popular de Puerto Rico, which sold its only New York branches and related assets to BP North America in January 1999.

(2) 79 percent, or \$1,398,397, of the assets of Banco Popular, NA, in New Jersey were attributable to Equity One, a consumer and mortgage finance subsidiary. Equity One was a subprime lender, and it became a subsidiary of the North American holding company in 1999. The balance of the bank's assets, 21 percent, was \$371,726.

The merger of the ten banks was completed on January 1, 2000. Prior to the mergers, each bank operated independently with separate management, operating systems, procedures, and loan and deposit products. Some of the banks focused on commercial lending while others focused on full-service retail banking.

BP North America's primary lines of business are commercial and retail banking. Retail loan products include residential mortgages, home improvement, home equity loans and lines of credit, and direct and indirect consumer loans. Business loan products include commercial loans, commercial real estate lending including multifamily financing and franchise lending. The bank also specializes in originating taxi medallion loans in New York and Illinois.

BP North America has 91 branches in six states (New York, New Jersey, Illinois, Florida, Texas, and California). The bank's largest presence is in New York, New Jersey and Illinois with 68 percent of all branches located in these states. As of December 31, 1999, total domestic deposits, which represent the primary funding source for BP North America and its Texas affiliate, totaled \$4.2 billion. The bank's gross loans and leases represent \$3.9 billion or 81 percent of total assets. Its loan portfolio primarily includes commercial and industrial loans of \$1.4 billion and real estate loans of \$2.1 billion, which represent 36 percent and 54 percent, respectively, of total gross loans.

There are no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA. This is the first CRA examination of BP North America.

DESCRIPTION OF ASSESSMENT AREAS

The bank has seven assessment areas containing a portion of two Consolidated Metropolitan Statistical Areas ("CMSAs"), portions of two Primary Metropolitan Statistical Areas ("PMSAs"), and portions of three Metropolitan Statistical Areas ("MSAs"), as described below. New York and New Jersey represent a single assessment area since the CMSA encompasses portions of both states.

NEW YORK AND NEW JERSEY

- CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) consisting of:
 - PMSA 5600 (New York, NY), including only Bronx, Kings, New York, and Queens Counties and portions of Westchester County.
 - PMSA 5640 (Newark, NJ), including only Essex and Union Counties.
 - PMSA 3640 (Jersey City, NJ), including Hudson County.
 - PMSA 0875 (Bergen-Passaic, NJ) including Bergen and Passaic Counties.

STATE OF ILLINOIS

- PMSA 1600 (Chicago, IL), including only Cook and DuPage Counties.

STATE OF CALIFORNIA

- CMSA 4472 (Los Angeles-Riverside-Orange County, CA) consisting of:
 - PMSA 4480 (Los Angeles-Long Beach, CA), including Los Angeles County.
 - PMSA 5945 (Orange County, CA), including Orange County.
 - PMSA 6780 (Riverside-San Bernardino, CA), including only portions of San Bernardino County.
- MSA 7320 (San Diego, CA) including only portions of San Diego County.

STATE OF FLORIDA

- MSA 5960 (Orlando, FL), including only Orange and Seminole Counties and portions of Osceola County.
- MSA 2020 (Daytona Beach, FL) including only portions of Volusia County.

STATE OF TEXAS

- PMSA 3360 (Houston, TX), including only Harris County.

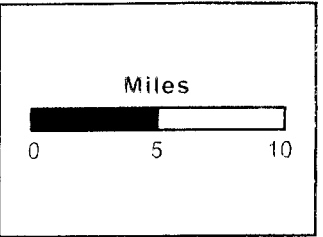
BP North America's assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude LMI geographies.

The following maps illustrate BP North America's assessment areas:

Banco Popular, North America
Assessment Area - New Jersey/New York
January 1, 1999 through December 31, 1999

Legend

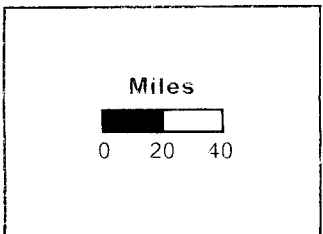
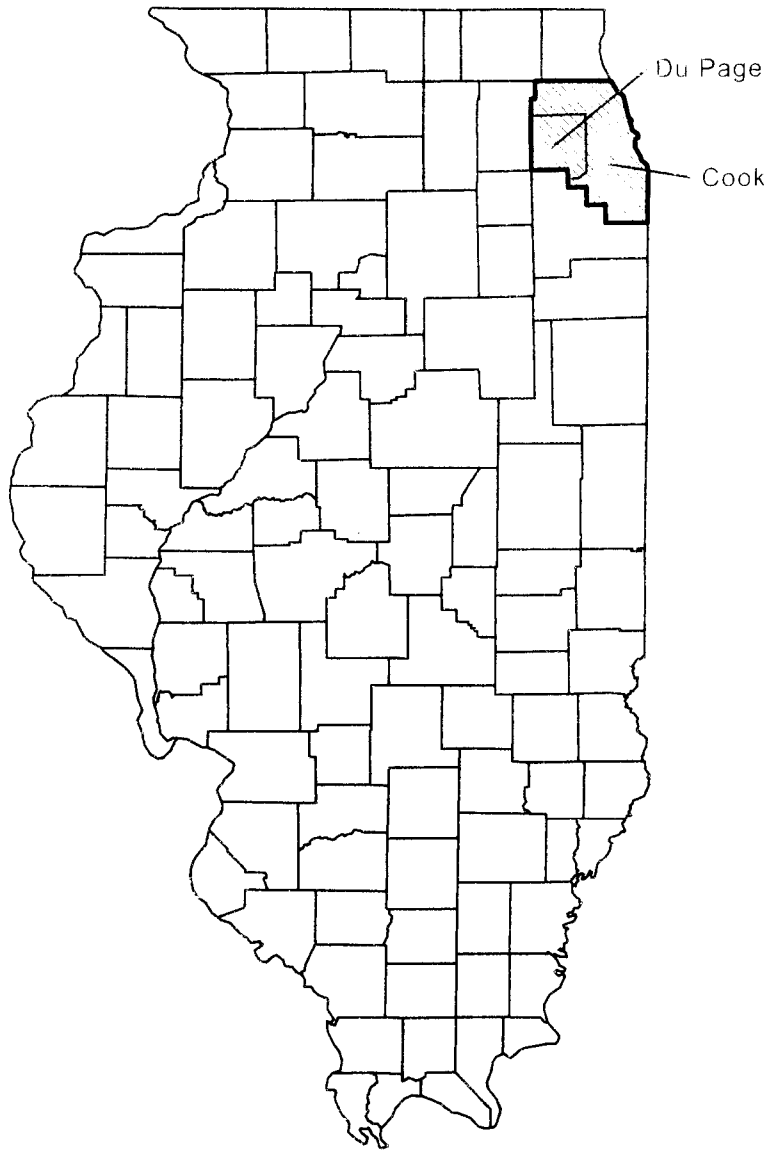
- Counties
- ▨ Assessment Area



Banco Popular, North America
Assessment Area - Illinois
January 1, 1999 through December 31, 1999

Legend

- Counties
- ▣ Assessment Area



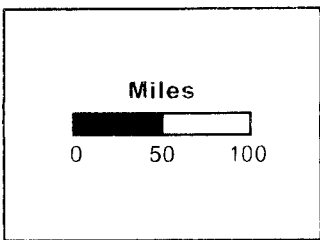
Banco Popular, North America

Assessment Area - California

January 1, 1999 through December 31, 1999

Legend

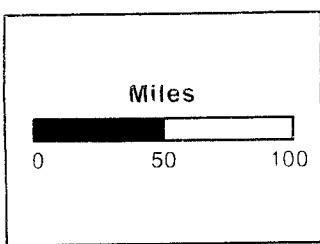
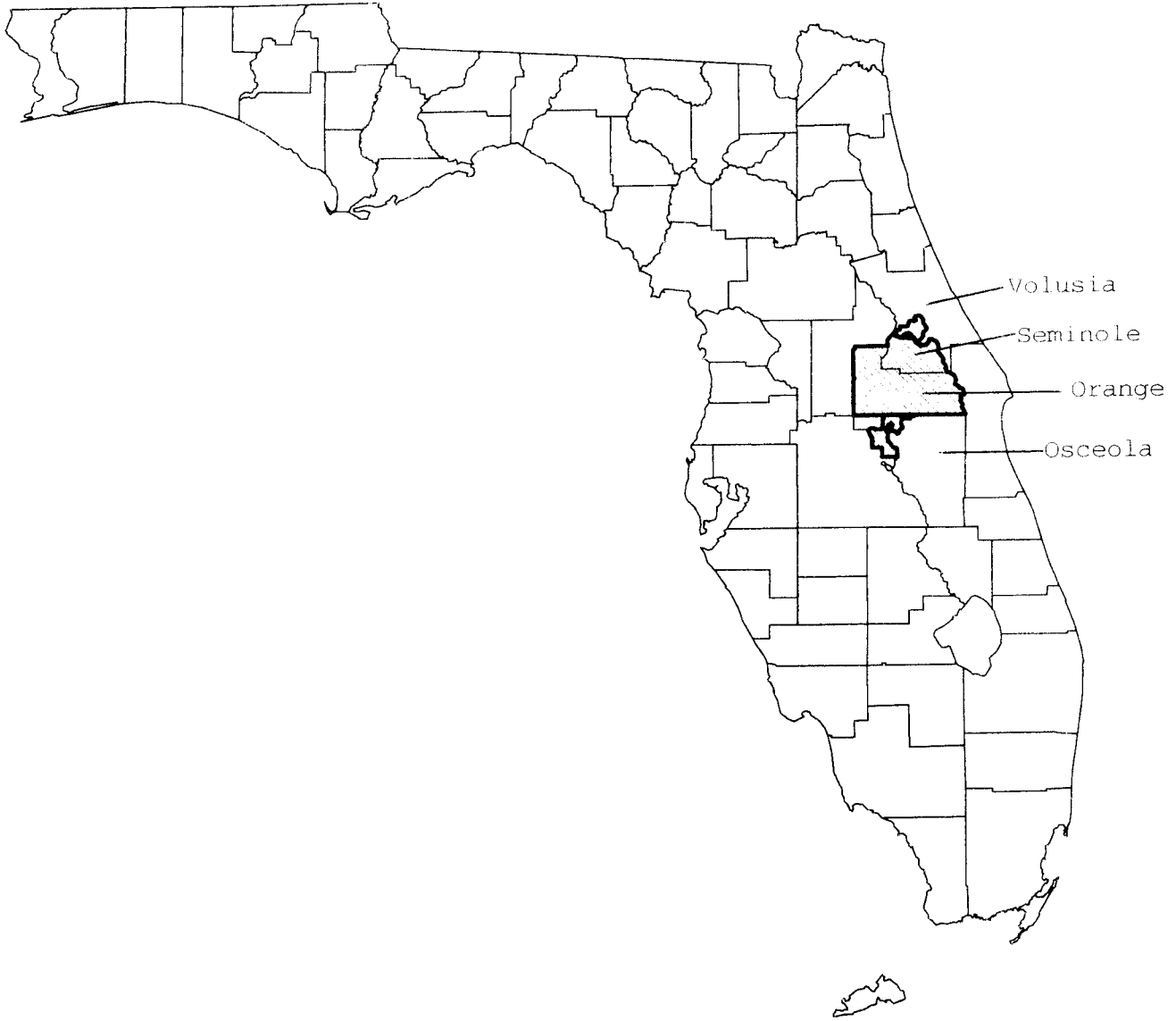
- Counties
- ▣ Assessment Area



Banco Popular, North America
Assessment Area - Florida
January 1, 1999 through December 31, 1999

Legend

- Counties
- ▣ Assessment Area



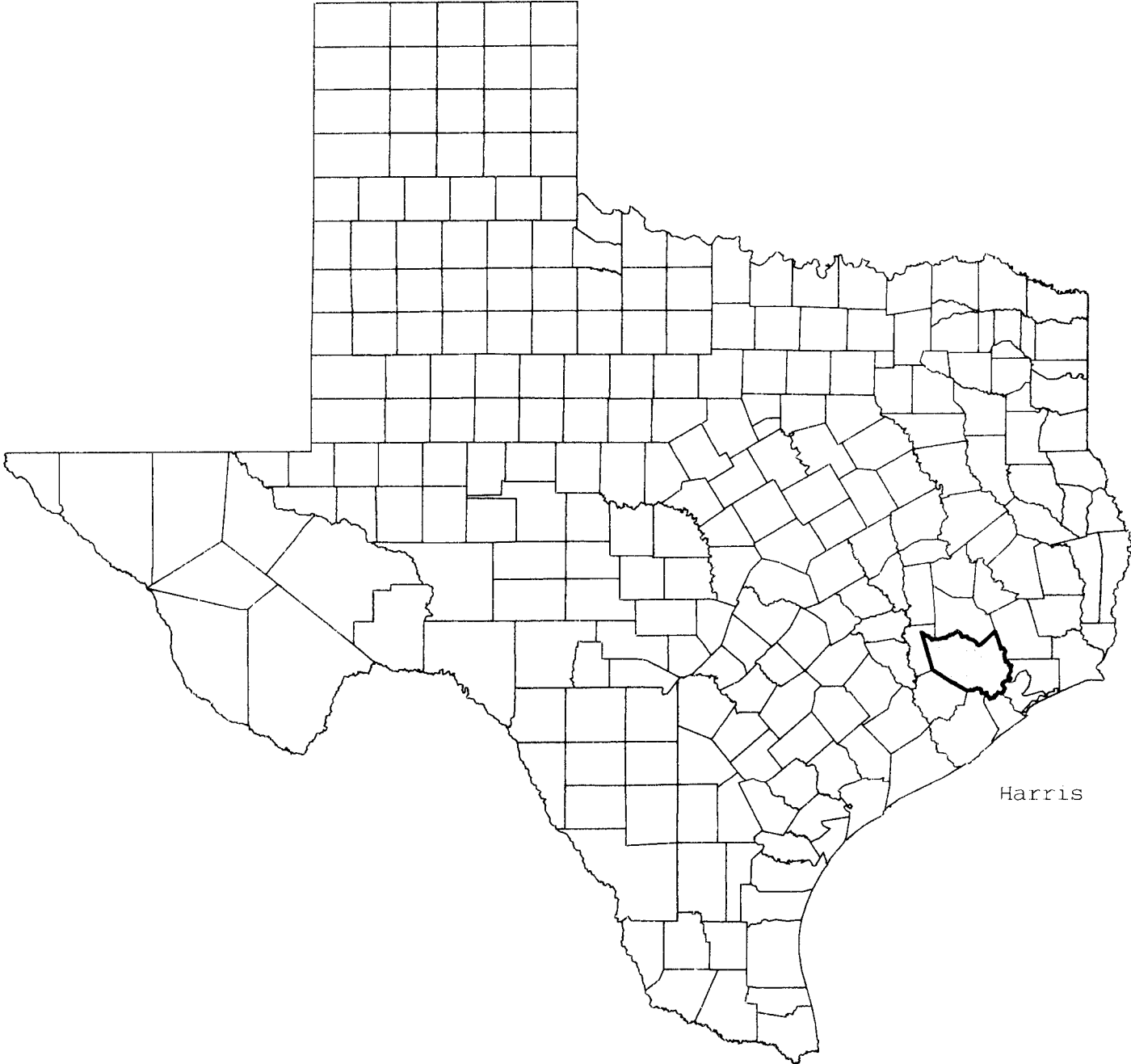
Banco Popular, North America

Assessment Area - Texas

January 1, 1999 through December 31, 1999

Legend

- Counties
- ▣ Assessment Area



Miles

0 50 100

SCOPE OF EXAMINATION

BP North America's seven assessment areas were reviewed using the Federal Financial Institutions Examination Council's *Interagency Procedures and Guidelines for Large Retail Institutions*. The evaluation covers BP North America's CRA performance from January 1, 1999, through December 31, 1999. Loan products evaluated include home purchase, refinancings, home improvement, multifamily, small business, and other loans that qualified as community development. Community development loan originations covered the period January 1, 1999, through March 31, 2000. In addition, bank investments, grants and services qualifying as community development were also included in the evaluation. Qualified investments and grants covered the period January 1, 1999, through June 30, 2000.

For each assessment area, the performance of certain loan products in meeting community credit needs was given greater weight than others when reaching a conclusion on the bank's overall performance for geographic distribution and borrower characteristics. While the volume of a product as compared with total volume in an assessment area determined the weight of a product's performance in an overall conclusion, it is significant to note that these volumes differed for each product and by each assessment area. For details, see Exhibit 2 on page BB63. For example, while home purchase loans amounted to 23 percent of total loans in CMSA 5602, home purchase loans were 52 percent of total loans in the Texas assessment area. This difference in volume reflects the size and focus of the different banks acquired by BP North America.

The mortgage loans included in the evaluation were reported under the Home Mortgage Disclosure Act ("HMDA"). The small business loans evaluated at this examination were reported under the CRA. While BP North America originated most of its HMDA-related and small business loans evaluated at this examination, HMDA-related and small business loans in the Texas assessment area were originated by the bank's Texas affiliate, Banco Popular, N.A., which merged with BP North America in January 2000.

For evaluation of the geographic distribution of loans, geographies were classified on the basis of the Census Bureau's 1990 census income data. Performance was rated based on penetration in LMI geographies, but performance in both low- and moderate-income geographies was analyzed separately.

The distribution of loans to borrowers of different income levels was determined based on 1999 estimated median family income data from the U.S. Department of Housing and Urban Development ("HUD"). Performance in lending to both low- and moderate-income borrowers was analyzed separately. Overall performance was rated with an emphasis on lending to moderate-income borrowers given the performance context issues in lending to low-income borrowers.

HMDA-related and small business loan performance was compared with the aggregate of all lenders in BP North America's assessment areas reporting real estate loans under HMDA, and small business loans under CRA. For HMDA-related and small business lending, 1999 aggregate lending performance was compared with the bank's 1999 lending performance.

For multistate CMSA 5602, in addition to the comparison with the aggregate of all lenders, the bank's performance was compared with that of similarly situated banks.

Community contacts were made in all of the bank's assessment areas and included local community-based organizations, quasi-government agencies, and municipal officials.

The bank's performance in CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) and in Illinois received the greatest weight in determining the bank's overall rating primarily because of the concentration of its deposits overall and deposit market share, lending, and demographics in these assessment areas. For a summary of assessment area data, see Exhibits 15.

Of these two assessment areas, the greatest significance was placed on performance in the multistate CMSA 5602, which contains a larger concentration of deposits and demographics. Of the two assessment areas, the percentage of total home purchase loans and refinancings was higher in CMSA 5602, while the percentage of small business and home improvement loans was higher in Illinois.

For the multistate CMSA 5602 rating, a full review of the CMSA was conducted. Within the CMSA, performance in PMSA 5600 (New York, NY) was most significant since it represents 69 percent of the population, 84 percent of deposits and 76 percent of branches in the CMSA assessment area.

For the state of California rating, a full review was conducted for CMSA 4472 (Los Angeles-Riverside-Orange County, CA) while a limited review was conducted for MSA 7320 (San Diego, CA). Primary reliance was placed on performance in CMSA 4472 as it contains 90 percent of the population, 94 percent of the bank's branches and 97 percent of deposits in the combined California assessment area. California's deposits were reviewed as of March 31, 2000, because deposit figures for June 30, 1999, did not include deposits of the new San Diego branch, which opened in September 1999.

Eighty-three percent of loan activity in the California assessment area CMSA 4472 took place in the assessment area portion of PMSA 4480 (Los Angeles-Long Beach, CA) which includes Los Angeles County. Of the three PMSAs in CMSA 4472, PMSA 4480 (Los Angeles-Long Beach, CA) has the highest overall population level. Hence, conclusions for PMSA 4480 (Los Angeles-Long Beach, CA) outweighed those for PMSA 5945 (Orange County, CA) and PMSA 6780 (Riverside-San Bernardino, CA).

Only 21 home improvement loans were made between January 1, 1999, and December 31, 1999, in the California assessment area; therefore, little emphasis was placed on home improvement lending for geographic distribution and borrower characteristics in the California region.

For the state of Florida rating, a full review was conducted for MSA 5960 (Orlando, FL) while a limited review was conducted for MSA 2020 (Daytona, FL). Primary reliance was placed on performance in MSA 5960 (Orlando, FL) as it contains 95 percent of the population, 88 percent of the bank's branches and 95 percent of deposits in the combined Florida assessment area.

Only 31 refinancings and 18 home improvement loans were made in the Florida assessment area between January 1, 1999, and December 31, 1999; therefore, these loan categories were significantly de-emphasized in the analysis of the geographic distribution of lending and borrower characteristics in Florida.

The ratings for Illinois and Texas were each based on a single assessment area. Therefore, it was not necessary to designate significant areas upon which to weigh ratings. A full analysis was conducted for both assessment areas.

Since 94 percent of loan activity in the Illinois assessment area took place in Cook County, primary emphasis was placed on the county in the evaluation of the bank's performance in the assessment area portion of PMSA 1600 (Chicago, IL).

Only 13 refinancings were made in the Texas assessment area between January 1, 1999, and December 31, 1999; therefore, refinancings were significantly de-emphasized for geographic distribution of lending and borrower characteristics in the Texas region.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BP North America's overall record of meeting the credit needs of its assessment areas through its lending performance is rated "high satisfactory."

Lending Activity: Lending activity reflected good responsiveness to assessment area credit needs in relation to the bank's size, recent history, and performance context issues. The bank originated and purchased 5,178 loans during the examination period. Responsiveness was enhanced with the bank's Good Neighbor Mortgage Loan program in New York and New Jersey, which provides innovative and flexible lending criteria for LMI borrowers and/or borrowers in LMI tracts. For details, see Exhibit 1.

Assessment Area Concentration: A high percentage of the bank's loans were originated in its assessment areas. Overall, 78 percent of all loans were originated in the bank's assessment areas. This includes 71 percent of home purchase loans, 62 percent of refinancings, 86 percent of home improvement loans, 98 percent of multifamily loans, and 79 percent of small business loans. These figures exclude affiliate activity of Banco Popular, NA, Texas. For details, see Exhibit 3.

Geographic Distribution and Borrower Distribution: The geographic distribution of loans was excellent in BP North America's assessment areas where LMI census tract loan penetration compared favorably with LMI demographics. Performance was consistent in all assessment areas given the various performance context factors.

The overall distribution of loans to individuals of different income levels (with an emphasis on lending to moderate-income individuals) and businesses of different sizes was good when considering performance context issues with respect to HMDA-related lending.

Community Development Lending: An excellent level of community development lending was noted during the examination period. The bank had 135 community development loans totaling \$95.7 million, of which \$91.7 million or 96 percent were extended during the examination period.

All community development loans made during the examination period were direct loans.

As shown in Exhibit 12, 69 percent of community development lending activity was concentrated in the New York/New Jersey region where loans totaled \$66.4 million.

Community development lending in support of affordable housing initiatives totaled \$68.3 million. This amount represents 71 percent of all community development lending by the bank during the examination period. The bank's affordable housing activity financed 4,614 housing units in the five assessment areas. Community contacts made during this examination expressed the need for affordable housing. Lending in support of community service initiatives totaled \$13.2 million or 14 percent of total activity. Economic development totaled \$11.3 million or 12 percent of total activity. Lending in support of revitalization and stabilization totaled \$2.9 million or 3 percent of total activity.

Of the total number of community development loans, 85 or 63 percent were multifamily loans. These multifamily loans for buildings located in LMI tracts totaled \$60 million or 63 percent of total community development dollars. Approximately \$53 million (88 percent) was lent in the New York/New Jersey region and \$7 million (12 percent) in the Illinois region. A total of 2,758 housing units were financed, of which 2,395 units were in the New York/New Jersey region and 363 units in the Illinois region. Most of these apartments had affordable rents for LMI families.

INVESTMENT TEST

The bank's performance under the investment test is rated "outstanding." Overall investments during the examination period totaled \$17.9 million, showing excellent responsiveness to credit and community development needs. Investments totaled \$17.7 million and grants totaled \$207 thousand to organizations supporting community development projects and programs. Most investments were mortgage-backed securities with underlying mortgages of LMI borrowers. Twenty-five percent or \$4.4 million of total investments represent new money invested at this examination. Overall, 95 percent of investments or \$17 million financed affordable housing, a primary need in the bank's assessment area. Three percent of investments or \$574 thousand were directed toward economic development activity, and 2 percent or \$255 thousand were directed toward community services. BP North America made 70 percent of its qualified investments in the New York/New Jersey region. For details, see Exhibit 13.

SERVICE TEST

BP North America's rating on the service test is "outstanding." Service delivery systems are readily accessible to geographies and individuals of different income levels in the bank's

assessment areas. To the extent changes have been made, a record of opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Services do not vary in a way that inconveniences its assessment areas, particularly LMI geographies and LMI individuals. The bank had a relatively high level of community development services with most of the services provided in CMSA 5602.

COMPLIANCE WITH FAIR LENDING LAWS

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

METROPOLITAN AREAS

CMSA 5602

(NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA)

CRA RATING FOR MULTISTATE CMSA 5602: "OUTSTANDING."

The lending test is rated: High satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

BP North America's outstanding rating on its performance in the CMSA is based on the following summary conclusions:

LENDING TEST

- Good responsiveness to assessment area credit needs given the bank's size, recent history, loan and deposit market shares, and performance context issues.
- An excellent geographic distribution of loans in its assessment areas where LMI loan penetration compared favorably with LMI demographics.
- An adequate distribution of loans among individuals of different income levels, with an emphasis on lending to moderate-income individuals and businesses of different sizes.
- An excellent level of community development loans, which totaled \$66.4 million.

INVESTMENT TEST

- An excellent level of qualified investments, totaling \$12.5 million.

SERVICE TEST

- Service delivery systems are readily accessible to geographies and individuals of different income levels in its assessment areas.
- To the extent branch changes were made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.
- Services do not vary in a way that inconveniences its assessment areas, particularly LMI geographies and LMI individuals.
- A relatively high level of community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 5602

This assessment area contains a significant portion of BP North America's operations and is weighted heavily in the bank's overall CRA performance. As of December 31, 1999, the bank had 46 percent of its branches, 57 percent of its branch deposits, 32 percent of its home purchase loans, 49 percent of its refinancings, 13 percent of its home improvement loans, and 30 percent of its small business loans in CMSA 5602.

The New York portion of the CMSA had a greater percentage (dollar volume) of the deposit and loan market shares as compared with the New Jersey portion, but both were less than 1 percent.

This assessment area includes the operations of two banks previously acquired by BP North America: the New York branch network of BPPR and Banco Popular, FSB, in New Jersey. BPPR in New York was a full-service commercial bank focusing on retail financial services and commercial services to small and middle-market businesses. The bank also offered mortgage products through a subsidiary. The bank's New York operations accounted for 15 percent of its deposits as of its last CRA examination dated August 3, 1998. The source of these deposits were 29 BPPR branches in PMSA 5600 (New York, NY).

Banco Popular, FSB, was organized in January 1995 with the purchase of four branches of a failed New Jersey thrift from the Resolution Trust Corporation. The New Jersey bank was restricted in its first year of operations from offering new loan products. Banco Popular, FSB's operational functions and support services were provided by BPPR's New York operations. Like its New York affiliate, the New Jersey bank focused on commercial and residential lending.

It should be noted that most of Banco Popular, FSB, assets of \$1.8 billion were directly related to a subsidiary, Equity One, a consumer and mortgage finance company whose loan volume was separated from the bank. Equity One's total assets at the end of 1998 were \$1.4 billion. Actual bank assets were only \$372 million. In merging with BP North America in January of 1999, the New Jersey bank sold Equity One to BP North America's holding company.

PERFORMANCE CONTEXT

The demographic and economic information used to describe BP North America's assessment areas and to evaluate the performance context within which the bank operates was obtained from publicly available sources. These sources include HUD, the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor, the New York State Department of Labor, the New Jersey State Department of Labor, the New York State Association of Realtors, and the FRBNY Research & Markets Analysis Group.

Demographic Characteristics

The bank's assessment area in CMSA 5602 consists of southern New York and northeastern New Jersey areas generally referred to as the New York metropolitan area. According to the 1990 Census, the population of the assessment area portion of the CMSA totals 10 million, with

7 million or 69 percent residing in New York. Of the CMSA population, 3.8 million or 38 percent resides in LMI geographies, with 75 percent residing in PMSA 5600 (New York, NY).

The New Jersey portion of the assessment area has a population of 3 million. Forty-one percent resides in PMSA 0875 (Bergen-Passaic, NJ), 41 percent in PMSA 5640 (Newark, NJ), and 18 percent resides in PMSA 3640 (Jersey City, NJ).

Income Characteristics

According to the 1990 Census, the median family income for the assessment area portion of CMSA 5602 is \$37,558. The 1990 median family income for PMSA 5600 (New York, NY) is \$33,456, slightly lower than the median family income for the CMSA. Bronx County had the lowest median family income at \$25,479 while Queens County had the highest at \$40,426. The HUD-adjusted median family income is unavailable for the CMSA, but in the various PMSAs in the assessment area, the 1999 HUD-adjusted median family income ranges from a high of \$69,500 in PMSA 0875 (Bergen-Passaic, NJ) to a low of \$51,100 in PMSA 3640 (Jersey City, NJ). The 1999 HUD-adjusted median family income PMSA 5600 (New York, NY) is \$53,400.

The assessment area contains 2,921 census tracts of which 1,104, or 38 percent, are LMI. PMSA 5600 (New York, NY) contains 789 or 71 percent of the LMI tracts. Kings County contains 340 LMI census tracts or 43 percent, and Bronx County contains 206 or 26 percent. The New Jersey portion of the CMSA contains 315 or 29 percent of the LMI tracts. Most of the LMI tracts in New York and New Jersey are located in urban areas. According to the 1990 Census, 2.5 million families reside in the assessment area. The 1990 Census also indicates that 37 percent of the families in the assessment area are upper-income, 20 percent are middle-income, 17 percent are moderate-income, and 26 percent are low-income. Significantly, 14 percent of families have incomes below the poverty level. In PMSA 5600, according to the 1990 Census, 36 percent of families are upper-income, 19 percent middle-income, 17 percent moderate-income and 28 percent low-income. Seventeen percent of families subsist below the poverty level.

Housing Characteristics

Of the assessment area's 4,081,605 housing units, 33 percent are owner-occupied. Only 14 percent of the homes in LMI tracts are owner-occupied, thus limiting homeownership opportunities. According to the National Association of Realtors, the 1999 median housing value for the New York, northern New Jersey, Long Island and Connecticut metropolitan area is \$203 thousand. Higher values are found in the more suburban areas of the CMSA as well as in Manhattan (New York County), while lesser housing values are found in the other counties of New York City and the urban areas of New Jersey. Housing values are high, especially in relation to income, and they are at a point where homeownership is unaffordable for most families in the assessment area.

The New York assessment area contains 2,878,851 housing units of which 26 percent are owner-occupied. In LMI census tracts, only 10 percent of the housing units are owner-occupied, which limits homeownership opportunities. According to the National Association of Realtors, the median selling price of homes in the New York/Northern New Jersey/Long Island metropolitan area was \$208 thousand for the fourth quarter of 1999, a 10 percent increase from 1998.

Real estate prices in New York City, as well as in the outer boroughs and suburbs, increased significantly in 1999. Apartment prices were up 10 to 20 percent, depending on apartment size, as demand for housing in New York City outpaced supply as a result of a shortage of labor and land. One real estate firm reported that the median sale price of cooperative and condominium apartments in 1999 was \$325 thousand. Another study revealed that sale prices rose for the second straight year in all 130 zip code areas in the boroughs outside Manhattan. Given the 1999 HUD estimated family median income for PMSA 5600 (New York, NY) of \$53,400, homeownership is unaffordable for most families in this assessment area.

Labor, Employment and Economic Characteristics

All portions of BP North America's assessment area in CMSA 5602 experienced gains in employment and job growth. Although employment levels increased in the New York counties, the 1999 unemployment rate in New York City remains higher than other regions of New York State. The city unemployment rate is 5.7 percent compared with 4.5 percent for the state. Except for Bergen County in PMSA 0875, the New Jersey counties in the assessment area also have higher rates of unemployment than the state levels. Unemployment levels for 1999 range from a low of 3.7 percent in Bergen-Passaic and Newark to a high of 5.8 percent in Jersey City.

The New York City economy continues to rebound from a sharp economic downturn that occurred between 1989 and 1992. As a result the urban counties in New Jersey that are in close proximity to New York City have benefited from the city's strong economy. Employment in the New York-New Jersey region expanded for the seventh consecutive year in 1999. The service, wholesale/retail trade and finance/insurance/real estate industries generated most of the new jobs. Manufacturing jobs, many of which were concentrated in urban areas, have continued to decline. The wealth generated by Wall Street has resulted in strong tax revenues and higher home prices, attracted high-end retailers, and led to a marked improvement in the commercial real-estate market. This has had a ripple effect throughout the New Jersey counties in CMSA 5602.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 5602 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA)

LENDING TEST

BP North America's performance on the lending test is rated "high satisfactory."

Lending Activity

BP North America's lending activity reflected a good response to assessment area credit needs, and the bank's loan market share was consistent with its deposit market share in both the New York and New Jersey portions of CMSA 5602. Lending volumes were limited in the New Jersey portion of CMSA 5602. For this examination, the volume was considered adequate given the bank's limited but growing presence in New Jersey.

During the examination period, 1,567 loans (home purchase, refinance, home improvement, multifamily and small business) totaling \$331,486 million were originated. Approximately 935 or 60 percent of those loans were HMDA-related loans and 632 were small business loans. Overall lending activity was good in relation to the bank's size, market presence, financial capacity, and performance context issues. In addition, the bank's participation in the multifamily market and its concentration of affordable housing units exhibited excellent responsiveness to LMI housing needs.

CMSA 5602 contains 46 percent of the branches and 57 percent of the institution's deposits. Of the total dollar amount of loans in all assessment areas, 51 percent were originated in the CMSA.

Most of the 1,567 loans originated in the CMSA were originated in the New York portion (PMSA 5600) of the CMSA assessment area. PMSA 5600 (New York, NY) accounted for 72 percent of HMDA-related lending activity and 77 percent of small business loans originated.

The New Jersey portion of the CMSA accounted for 28 percent of HMDA-related lending activity and 23 percent of small business loans. The bank has limited but adequate lending volume given its presence in New Jersey. Of total loans in the CMSA, 264 HMDA-related and 144 small business loans were in the New Jersey portion of the CMSA. Factors accounting for this volume include the bank's limited branch network, deposits and competition. Of the 42 branches in CMSA 5602, only 10 are located in New Jersey (specifically, Newark, Jersey City and Passaic County).

Geographic Distribution of Lending

The analysis found excellent activity among the low-, moderate-, middle-, and upper-income geographies in the CMSA assessment area. Performance varied within the PMSAs of the CMSA. For details, see Exhibits 4A through 7A. Excellent distribution was noted in PMSA 5600 (New York, NY). As previously discussed, the bank's volume of lending in the New Jersey portion of the CMSA was limited but commensurate with its presence and reflective of performance context factors in New Jersey.

Overall, in the four PMSAs evaluated, BP North America's geographic distribution of lending was consistent with the aggregate of HMDA and small business loan reporters and similarly situated banks in home purchase, home improvement, and small business lending. In refinance lending BP North America's performance was inconsistent.

The distribution of loans in LMI geographies was enhanced through two lending programs, the Good Neighbor Mortgage Loan Program and the N.Y. Mortgage Coalition Loan Program, which provided more flexible lending criteria to borrowers living in LMI geographies. The bank originated 139 Good Neighbor loans for \$19.6 million and 24 N.Y. Mortgage Coalition loans for \$3.7 million during 1999.

Home Purchase Lending

The overall distribution of home purchase lending in LMI geographies was excellent. During the examination period 15 percent of loans were originated in LMI geographies, where 14 percent of

the owner-occupied housing units are located. Four percent of loans were originated in low-income geographies, while 2 percent of owner-occupied housing units are located there. In moderate-income geographies where 12 percent of the owner-occupied housing units are located, the bank originated or purchased 12 percent of its loans.

Distribution was generally consistent within the assessment area. Distribution was excellent in PMSA 5600 (New York, NY).

For CMSA 5602 and PMSA 5600, the aggregate HMDA lenders originated 16 percent and 15 percent, respectively, of total home purchase loans in LMI geographies.

Refinancings

The overall distribution of refinance lending in LMI geographies was good. During the examination period 11 percent of the loans were in LMI geographies, where 14 percent of the owner-occupied housing units are located. Distribution was excellent in low-income geographies and adequate in moderate-income geographies. Four percent of the loans were in low-income geographies, while 2 percent of owner-occupied housing units are located there. In moderate-income geographies where 12 percent of owner-occupied housing units are located, the bank originated or purchased 7 percent of its loans. Distribution of refinancings was excellent in PMSA 5600 (New York, NY).

For CMSA 5602 and PMSA 5600, the aggregate HMDA lenders originated 17 percent and 18 percent, respectively, of total refinancings in LMI geographies.

Home Improvement Lending

The overall distribution of home improvement lending in LMI geographies was excellent. During the examination period 28 percent of loans were originated in LMI geographies, where 14 percent of the owner-occupied housing units are located. Distribution was excellent in both low- and moderate-income geographies. Twelve percent of loans were in low-income geographies, while 2 percent of the owner-occupied housing units are located there. In moderate-income geographies, where 12 percent of owner-occupied housing units are located, the bank originated or purchased 16 percent of its loans. Distribution of home improvement loans was excellent in PMSA 5600 (New York, NY).

For CMSA 5602 and PMSA 5600, the aggregate originated 36 percent and 45 percent, respectively, of total home improvement loans in LMI geographies.

Small Business Lending

The overall distribution of small business lending in LMI geographies was excellent. During the examination period 43 percent of small business loans were originated in LMI geographies, where 27 percent of small business establishments are located. Distribution was excellent in both low- and moderate-income geographies. Eighteen percent of small business loans were in low-income geographies, while 9 percent of small business establishments are located there. In moderate-income geographies where 18 percent of the small business establishments are located,

the bank originated 25 percent of its loans. Distribution of small business lending was excellent in PMSA 5600 (New York, NY).

For CMSA 5602 and PMSA 5600, the aggregate originated 23 percent and 25 percent, respectively, of total small business loans in LMI geographies.

Multifamily Lending

BP North America originated or purchased 78 multifamily loans in this assessment area. Sixty-one of the loans were made in LMI tracts for buildings providing over 2,300 housing units. Fifty-seven of the loans in LMI tracts were in PMSA 5600 (New York, NY).

Borrower Characteristics

BP North America's distribution of loans among borrowers of different income levels was reasonable given the level of lending to moderate-income borrowers and high housing costs in relationship to income as discussed in the performance context beginning on page BB17. The distribution of loans among businesses of different sizes was adequate with most of the loans originated in amounts of \$100 thousand or less. As previously discussed, the bank's lending volume in the New Jersey portion of the CMSA was limited but commensurate with its presence and performance context factors in New Jersey.

The distribution of loans to borrowers of different income levels was enhanced through two lending programs, the Good Neighbor Mortgage Loan Program and N.Y. Mortgage Coalition Loan Program, which provided flexible lending criteria to LMI borrowers.

Exhibits 8A through 11A support the following discussion.

Home Purchase Loans

Home purchase lending to moderate-income borrowers reflected adequate distribution. BP North America originated 11 percent of its loans to moderate-income borrowers while 17 percent of the families are moderate-income. Distribution of home purchase loans to moderate-income borrowers was good in PMSA 5600 (New York, NY) where 13 percent of home purchase loans were originated and 17 percent of families are moderate-income. The bank outperformed the aggregate of HMDA reporters in this PMSA, but its performance ranked fourth out of five similarly situated banks.

In CMSA 5602 and PMSA 5600, the aggregate HMDA lenders originated 15 percent and 11 percent, respectively, of total home purchase loans to moderate-income borrowers.

The bank's home purchase lending to low-income borrowers reflected poor distribution but is considered adequate in relation to the CMSA performance context issues. The bank originated 1 percent of its loans to low-income borrowers while 26 percent of the families are low-income.

The level of lending to low-income borrowers has resulted, in part, from the disparity between the high cost of housing in the CMSA assessment area and low borrower income levels. Such a

gap limits homeownership opportunities for low-income families. On average, low-income families do not earn more than \$31 thousand annually; however, the average housing cost is approximately \$181 thousand. In portions of the assessment area such as PMSA 5600 (New York, NY), particularly New York County (Manhattan) and PMSA 3640 (Jersey City, NJ), housing costs are ten times greater than family income.

An evaluation of similarly situated and aggregate bank performance also revealed difficulty in penetrating the low-income borrower market in the CMSA. The high cost of housing in the CMSA for low-income borrowers is generally prohibitive. The CMSA's median housing value is five times higher than the median family income. BP North America underperformed both similarly situated banks and the aggregate of HMDA reporters. The aggregate's performance was also weak, however, with only 3 percent and 2 percent, respectively, of home purchase loans to low-income borrowers in CMSA 5602 and PMSA 5600.

Refinancings

Refinancings to moderate-income borrowers reflected weak distribution. BP North America originated 7 percent of its loans to moderate-income borrowers while 17 percent of the families are moderate-income. Weak distribution was noted in all four PMSAs. When measured against both the aggregate and similarly situated banks, performance was generally lower. In CMSA 5602 and PMSA 5600 (New York, NY), the aggregate originated 16 percent and 14 percent, respectively, of refinancings to moderate-income borrowers.

The bank's refinancings to low-income borrowers reflected poor distribution. The bank originated less than 1 percent of its loans to low-income borrowers while 26 percent of the families are low-income.

An evaluation of similarly situated and aggregate bank performance also revealed difficulty in penetrating the low-income borrower market in the CMSA although BP North America underperformed both. Specifically, refinancings are difficult to make to low-income borrowers because of the borrowers' lack of liquidity (closing costs) necessary to complete refinance transactions, and a possible lack of financial expertise to take advantage of refinance transactions during periods of declining interest rates. Furthermore, many low-income borrowers may have obtained home mortgages with high loan-to-value ("LTV") ratios under affordable housing programs. This has the potential to make refinancings impossible or financially imprudent.

For CMSA 5602 and PMSA 5600, the aggregate HMDA lenders originated only 6 percent and 5 percent of refinancings to low-income borrowers, respectively.

Home Improvement Loans

Home improvement lending to moderate-income borrowers reflected excellent distribution. The bank originated 18 percent of its loans to moderate-income borrowers while 17 percent of the families are moderate-income. Distribution of home improvement loans to moderate-income borrowers was good in PMSA 5600 where 15 percent of home improvement loans were originated and 17 percent of families are moderate-income.

For CMSA 5602 and PMSA 5600, the aggregate HMDA lenders originated 23 percent and 25 percent of home improvement loans to moderate-income borrowers.

Home improvement lending to low-income borrowers reflected poor distribution. The bank originated 3 percent of its loans to low-income borrowers while 26 percent of the families are low-income. Performance in PMSA 5600 (New York, NY) also reflected poor distribution with only 3 percent of the loans to low-income borrowers while 28 percent of the families are low-income. In both CMSA 5602 and PMSA 5600, the bank underperformed both the aggregate HMDA lenders and similarly situated banks. For CMSA 5602 and PMSA 5600, the aggregate originated 16 percent and 23 percent, respectively, of home improvement loans to low-income borrowers.

Small Business Loans

Lending to businesses of different sizes in CMSA 5602 was adequate. Approximately 51 percent of the small business loans originated were to businesses with gross annual revenues ("GAR") of \$1 million or less. The distribution was adequate when compared with 84 percent of the businesses in the CMSA with GAR of \$1 million or less.

However, the bank's share of small business loans to businesses with GAR of \$1 million or less may be higher than reported. Thirty-two percent of the bank's small business loans did not indicate the revenue size of the borrower. According to management, these loans were credit-scored using a system that does not consider the revenue size of the business. The small business loans also included taxi medallion loans, which are underwritten based on the value of the collateral.

Overall, performance with respect to businesses with GAR of \$1 million or less was comparable to similarly situated banks in both New York and New Jersey. Performance was slightly weaker than the aggregate of small business reporters as a result of the high level of lending without the revenue size of the business reported.

Of total small business loans, approximately 58 percent had loan amounts of \$100 thousand or less. The average size of such loans was \$38 thousand. This performance was less than the performance of the aggregate of small business reporters and similarly situated banks in both CMSA 5602 and PMSA 5600, which originated 92 percent of total small business loans for amounts of \$100 thousand or less.

BP North America's performance in PMSA 5600 (New York, NY) in lending to businesses with GAR of \$1 million or less was consistent with the overall findings.

Community Development Lending

In the New York/New Jersey region, BP North America extended 89 community development loans totaling \$66.4 million and representing 69 percent of the bank's total dollars for community development lending. Eighty-two percent of community development lending in this region supported affordable housing by financing 2,449 housing units. Several community contacts during this examination expressed the need for affordable housing. Of the total

community development loans supporting affordable housing, 57 were multifamily loans in LMI tracts. These multifamily loans financed buildings with 2,395 total housing units. Most of the rents in these buildings were affordable for LMI families in the CMSA.

The balance of community development lending in the CMSA supported community services and economic development. Sixteen percent of the dollars supported community services, and 2 percent supported economic development. For details, see Exhibit 12.

INVESTMENT TEST

The bank's performance under the investment test in CMSA 5602 is rated "outstanding." Qualified investments totaled \$12.5 million or 70 percent of BP North America's total investment activity. The 19 qualified investments represented primarily mortgage-backed securities and a number of grants. Grants totaled \$174 thousand, with only \$4 thousand in the New Jersey portion of CMSA 5602. Affordable housing activity totaled \$12.3 million, community services totaled \$240 thousand and economic development totaled \$7 thousand. For details, see Exhibit 13.

SERVICE TEST

The bank's performance under the service test in CMSA 5602 is rated "outstanding."

Retail Delivery Systems

Of BP North America's total number of branches, 46 percent are located in CMSA 5602. PMSA 5600 contains 76 percent of the branches in the CMSA. For details, see Exhibit 14.

Accessibility of Delivery Systems

BP North America provided an excellent level of retail services in the CMSA 5602 assessment area. The branch delivery system was readily accessible to all portions of the assessment area. As of December 31, 1999, the bank operated 42 branches in the CMSA 5602 assessment area, 24 or 57 percent of which were located in LMI census tracts. This compares very favorably with CMSA demographics indicating that 38 percent of the population resides in LMI census tracts, 36 percent of families reside in LMI tracts, and 38 percent of total census tracts are LMI.

Of the 24 branches in LMI tracts in CMSA 5602, 75 percent are in PMSA 5600. Within the PMSA, 56 percent of BP North America's branches are in LMI geographies. This compares very favorably with PMSA demographics indicating that 41 percent of the population resides in LMI tracts, 40 percent of families reside in LMI tracts, and 37 percent of total census tracts are LMI

Alternative Delivery Systems

The branch distribution system was somewhat enhanced by alternative delivery systems. As of December 31, 1999, 40 of 42 BP North America branches operated automated teller machines

("ATMs") throughout the CMSA assessment area. Of the 40 ATM branches, 23 or 58 percent were located in LMI census tracts. The bank also offers telephone banking.

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. In CMSA 5602, one branch was opened in a middle-income tract in the Castle Hill section of the Bronx. No branches were closed or consolidated in the CMSA during the examination period.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

The bank's business hours were reasonable and did not vary in a way that inconveniences certain portions of its assessment areas.

Regular banking hours were generally 9 a.m. to 3 p.m. Monday through Thursday. In the New York portion of the CMSA, 17 of 18 LMI branches offer extended hours on Friday and/or Saturdays. In the New Jersey portion of the CMSA, all ten branches offer extended Saturday hours. Four LMI branches offer extended Monday hours in addition to the Saturday hours. Two in-store branches in Passaic and Jersey City are open seven days a week.

Community Development Services

BP North America provided a relatively high level of community development services in CMSA 5602. Community development services included 10 board memberships primarily at economic development organizations, 27 mortgage seminars titled "Mortgage Days," and 21 small business seminars or "SBA Loan Days." While the Mortgage Days and SBA Days, like the seminars, provide financial technical assistance, the Mortgage Days and SBA Days offer one-on-one assistance. Many seminars and loan days were held at branches located in LMI tracts. Most of the community development services were provided in the New York portion of CMSA 5602.

STATE OF ILLINOIS

CRA RATING FOR ILLINOIS: "OUTSTANDING."

The lending test is rated: High satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

BP North America's performance in Illinois is rated "outstanding" based on the following summary conclusions.

LENDING TEST

- BP North America's lending activity showed adequate responsiveness to the credit needs in the Illinois assessment area given the bank's size, recent history, loan and deposit market shares, and performance context issues.
- The overall geographic distribution of loans reflected excellent loan penetration throughout the assessment areas.
- The overall distribution of loans among borrowers of different income levels and businesses of different revenue sizes was excellent.
- The level of community development lending was excellent, totaling \$11.5 million.

INVESTMENT TEST

- The level of qualified investments was excellent, totaling \$2.4 million.

SERVICE TEST

- Service delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment areas.
- To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.
- Services did not vary in a way that inconveniences customers in the bank's assessment areas, particularly LMI geographies and LMI individuals.
- A relatively high level of community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS

BP North America operated 19 full-service branches in the Illinois assessment area, representing 21 percent of all branches in the bank's combined assessment areas. Of the 19 Illinois branches, 18 or 95 percent are located in Cook County. As of June 30, 1999, the Illinois branches maintained over \$945 thousand in deposits, or 28 percent of the bank's total branch deposits in its combined assessment areas.

Banco Popular expanded its presence in the Illinois market in 1999 by acquiring three small regional banks, which focus on commercial lending.

During the examination period, approximately 34 percent of total loan activity occurred in the Illinois assessment area.

The bank's deposit market share was less than 1 percent in 1999. The bank's loan market share was lower with less than .5 percent.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include HUD, the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor, the Illinois Department of Commerce and Community Affairs, and the U.S. Bureau of Labor Statistics.

Demographic Characteristics

BP North America's assessment area in PMSA 1600 (Chicago, IL) includes two of the six counties in and around the Chicago metropolitan area (Cook and DuPage Counties). The bank's assessment area has a population of 5.9 million, with 87 percent in Cook County, the second largest county in the nation, and the remaining 13 percent of the population in DuPage County. These figures also reflect Cook and DuPage Counties' rankings as the first and second most populous counties in Illinois. The city of Chicago, included in the bank's assessment area, is the third largest city in the U.S. with an estimated population of 2.8 million in 1990, accounting for roughly half the population of the assessment area. According to county estimates for July 1, 1999, the population of DuPage County increased almost 15 percent since the 1990 Census, while the Cook County population has remained stable.

Income Characteristics

The 1990 median family income for the assessment area portion of PMSA 1600 (Chicago, IL) is \$41,528, higher than the state median family income of \$38,664. DuPage County has a significantly higher median family income than Cook County. The 1990 median family income for DuPage County is \$54,929, while the figure for Cook County is \$39,296. Based on 1999 HUD estimates, the 1999 median family incomes for the Chicago PMSA is \$63,800.

The percentage of families in the assessment area living below the poverty line in 1990 is 9.8 percent, which is slightly higher than 9 percent for the state. Based on the 1990 Census,

37 percent of the families residing in the assessment area are upper-income, 23 percent are middle-income, 18 percent are moderate-income, and 22 percent are low-income. The 1990 Census also indicates that of the 1,468 census tracts included in the assessment area and considered in the analysis, 635 or 43 percent are LMI, and all of them are located in Cook County, mostly in Chicago. The next greatest concentrations of LMI census tracts are in the southern and western suburbs of Cook County. These statistics identify the geographies in the assessment area with the greatest need for community development through loans or investment activities.

Housing Characteristics

The assessment area contains 2.3 million housing units, of which 54 percent are owner-occupied. In LMI census tracts, 18 percent of the housing units are owner-occupied. The assessment area's median housing value of \$110 thousand is higher than the \$80 thousand figure for the state and \$109 thousand for the MSA. Cook County has a lower median housing value (\$101 thousand), generally older housing stock (median age of 44 years), and a higher concentration of rental units (41 percent) than DuPage County.

DuPage County has a median housing value of \$137 thousand and a housing stock with a median age of 22 years. Twenty-four percent of the housing units are considered rental. The assessment area's monthly median rent of \$491 is slightly above the state median rent of \$445. Cook County median rent is \$478, significantly lower than the \$625 figure for DuPage County.

The Chicago area's strong economy continues to support a rapidly expanding market for new homes in 1999. Building permits were issued for 28,662 single-family homes in the metropolitan area during the year, an increase of 13 percent over 1998. However, HUD reports have cited substandard conditions, overcrowding, and high rental and mortgage costs as major housing problems in some areas.

Labor, Employment and Economic Characteristics

Between 1991 and 1998, the Chicago MSA, including the four counties outside the assessment area, added six new jobs for every 100 people. Service-producing industries accounted for over 88 percent of the gain. Within service-producing industries, the service sector (personal, business, and health services) gained 272,400 jobs between 1991 and 1998, followed by retail trade with 56,800 new jobs. During the same period, the manufacturing sector reported a net gain of 29,100 new jobs, all in durable goods industries.

The Chicago area has a long history as a center for business and industry. In addition to being headquarters for large businesses, Chicago also has a significant small and mid-sized business community. The many employers located in the assessment area range from Fortune 500 companies to government agencies, universities, and small businesses.

The growing regional economy in the 1990s had positive effects on the county. Between 1990 and 1999, unemployment rates fell from 6.7 percent to 4.5 percent. Compared with Cook County, DuPage County had a lower unemployment rate of 3.7 percent in 1990, declining to 2.7 percent in 1999.

Community Contacts

The community contacts confirmed that the housing market in the Chicago area is strong, and the housing boom of the last several years continues. Consistent with this trend, the Illinois Department of Housing (“IHDA”) is revising its first-time home buyers program to be more flexible. Despite the housing boom, however, they indicated that foreclosures are on the rise, in part because of predatory lending.

The benefits of the strong economy have not reached every corner of the region or all business sectors. A community representative observed that economic development throughout the Chicago area has centered on real estate, but too little emphasis is placed on keeping industries from relocating to the suburbs. One contact described the cities of Dolton, Harvey, and Ford Heights in southern Cook County as the region’s most economically depressed areas.

A community contact indicated that affordable rental housing is a critical credit need in Chicago’s LMI areas. Most of the housing stock in such areas is pre-1940 multifamily housing, and many of the buildings need rehabilitation. The contact indicated that many lenders are reluctant to make rehabilitation or purchase/rehabilitation loans for such properties because of the specialized expertise needed, the special problems of rehabilitating older rental properties, and the lack of knowledge about the rental housing market in LMI neighborhoods.

The community representatives indicated that banks should take a more active role with regard to predatory lending. Given local banks’ knowledge of community needs and general understanding of the residents’ purchasing power, local banks should step in and provide the type of affordable assistance to borrowers targeted by predatory lenders. The contacts said they would particularly like to see banks target their assistance to senior citizens. Small business lending is another area where, the contacts noted, financial institutions could be more active. A need for more flexible products responsive to the diverse needs of customers in the community, particularly those residing on the south side of Chicago, was also expressed.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS

LENDING TEST

In the Illinois assessment area, BP North America's performance under the lending test rated “high satisfactory.”

Lending Activity

BP North America demonstrated adequate responsiveness to credit needs in its Illinois assessment area given performance context factors, product offerings, and loan and deposit market shares.

For the examination period, 1,754 loans totaling \$141 million were originated, of which approximately 54 percent of the number of loans were HMDA-related. Such activity represents 31 percent of all HMDA-related loans and 38 percent of all small business loans analyzed at this examination. Of HMDA-related loans analyzed, 74 percent were home improvement loans.

While the bank originated 22 percent of its dollar volume of loans in the Illinois assessment area, 28 percent of the bank's deposits were located in this region. In addition, the bank's loan market share was inconsistent with its deposit market share.

Geographic Distribution of Lending

Overall, the analysis showed excellent loan penetration among low-, moderate-, middle-, and upper-income geographies in the Illinois assessment area. For 1999, BP North America originated 50 percent of its HMDA-related loans and 42 percent of its small business loans in LMI geographies. LMI census tracts represent 43 percent of all census tracts in the Illinois assessment area. For details, see Exhibits 4B through 7B.

Home Purchase Loans

The geographic distribution of home purchase loans reflected excellent penetration in the Illinois assessment area. During the examination period, 42 percent of home purchase loans were originated in LMI geographies, while 18 percent of owner-occupied housing units in the assessment area are located in LMI geographies. In 1999, the bank outperformed the aggregate of all HMDA reporters, which originated only 18 percent of total home purchase loans in LMI geographies.

BP North America had excellent performance in both low-income and moderate-income geographies. The bank originated 31 percent of home purchase loans in moderate-income geographies while 14 percent of owner-occupied housing units are located in such geographies. In low-income geographies, where 4 percent of owner-occupied housing units are located, BP North America originated 11 percent of its home purchase loans.

Refinancings

The overall geographic distribution of refinancings was excellent. During the examination period, the bank originated 47 percent of refinancings in LMI geographies. In comparison, 18 percent of owner-occupied housing units in the PMSA assessment area are located in LMI geographies. Furthermore, BP North America outperformed the aggregate of all HMDA reporters which originated 23 percent of total refinancings in LMI geographies.

Performance was excellent but varied between low-income and moderate-income geographies. Approximately 4 percent of loans were in low-income geographies, while 4 percent of owner-occupied housing units were located in such geographies. In moderate-income geographies, where 14 percent of owner-occupied housing units are located, the bank originated 43 percent of its refinancings.

Home Improvement Loans

The geographic distribution of home improvement loans in LMI geographies was excellent. During the examination period, 50 percent of home improvement loans were originated in LMI geographies, while 18 percent of owner-occupied housing units in the assessment area are located in LMI geographies.

For 1999, BP North America outperformed the aggregate of all HMDA reporters in the Illinois assessment area, which had 32 percent of originations in LMI geographies.

Performance was excellent in both low-income and moderate-income geographies. The bank originated 12 percent of home improvement loans in low-income geographies, while 4 percent of owner-occupied housing units are located in low-income geographies. In moderate-income geographies, where 14 percent of owner-occupied housing units are located, the bank originated 38 percent of its total home improvement loans.

Small Business Loans

The overall geographic distribution of small business loans reflected excellent penetration in LMI geographies. Forty-two percent of the small business loans originated were in LMI geographies, which contain 22 percent of assessment area business establishments. In addition, lending performance in LMI geographies significantly exceeded the aggregate of all institutions reporting small business loans in the Illinois assessment area, which had 18 percent of small business loans in LMI geographies.

Performance was strongest in moderate-income geographies where 37 percent of the bank's small business loans were originated, which far exceeds the level of business establishments in such geographies (14 percent). In low-income geographies, where 7 percent of businesses in the assessment area are located, the bank originated 6 percent of the small business loans.

Multifamily Loans

BP North America originated or purchased 41 multifamily loans in the assessment area portion of PMSA 1600 (Chicago, IL). Thirty-six of the loans were made in LMI geographies for apartment buildings financing 350 housing units.

Borrower Characteristics

The overall distribution of loans reflected excellent penetration among individuals of different income levels and among businesses of different sizes. For details, see Exhibits 8B through 11B.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was excellent. For the examination period, 64 percent of loan originations were to LMI borrowers while LMI families represent 39 percent of families in the assessment area.

The bank's home purchase lending to moderate-income borrowers reflected excellent distribution. The bank originated 42 percent of its home purchase loans to moderate-income borrowers while 18 percent of families are moderate-income. Furthermore, the bank outperformed the aggregate of HMDA lenders, which originated 29 percent of its home purchase loans to moderate-income borrowers.

Home purchase lending to low-income borrowers reflected excellent distribution. BP North America originated 22 percent of its home purchase loans to low-income borrowers, while low-income families constitute 22 percent of all families in the Illinois assessment area.

In home purchase lending to low-income borrowers, the bank outperformed the aggregate of HMDA reporters, which originated 9 percent of home purchase loans to such borrowers.

Refinancings

Refinance lending reflected excellent distribution across borrower income levels. BP North America originated 59 percent of refinancings to LMI borrowers while LMI families represent 39 percent of all families in the assessment area.

Lending was strongest to moderate-income borrowers (43 percent) and exceeded the percentage of moderate-income families (18 percent) in the Illinois assessment area. With respect to low-income borrowers, 16 percent of refinancings were made to such borrowers. Low-income families represent 22 percent of all families in the Illinois assessment area.

The bank's level of lending to LMI borrowers exceeded the performance of the aggregate, which originated 12 and 26 percent of total refinancings to low- and moderate- income borrowers, respectively. The percentage of lending to low-income borrowers by the aggregate of HMDA reporters in the Illinois assessment area was also lower than the percentage of low-income families.

Refinancings are difficult to make to low-income borrowers. Low-income borrowers with mortgages may have high LTV ratios under affordable housing programs or obtained their mortgages with sub-market rates. In such cases, refinancings may not be possible or financially prudent. Also, borrowers often lack the liquidity needed to cover the closing costs necessary to complete refinance transactions.

Home Improvement Loans

The level of home improvement loans to LMI borrowers was excellent. In the assessment area, 53 percent of home improvement loans were originated to LMI borrowers, which exceeds the percentage of LMI families in the assessment area (39 percent).

The bank's home improvement lending to moderate-income borrowers reflected excellent distribution. The bank originated 37 percent of its home improvement loans to moderate-income borrowers in the Illinois assessment area, while 18 percent of families are moderate-income. BP North America also outperformed the aggregate of HMDA reporters, which originated 26 percent of home improvement loans to moderate-income borrowers.

Home improvement lending to low-income borrowers reflected good distribution. BP North America originated 16 percent of its home improvement loans to low-income borrowers, which exceeds the level of low-income families (22 percent) in the assessment area.

The bank's performance in home improvement loans to low-income borrowers was commensurate with the aggregate of HMDA reporters, which originated 17 percent of home improvement loans to such borrowers.

Small Business Loans

BP North America's record of lending to businesses of different sizes was good. Seventy-four percent of the bank's small business loans were for amounts of \$100 thousand or less. The average size of such loans was \$45,886, an amount that would meet the credit needs of smaller businesses. The bank's performance in originating loans of \$100 thousand or less was lower than the performance by the market aggregate, which had 83 percent of small business loans in amounts of \$100 thousand or less.

Of all small business loans originated during the examination period, 71 percent were to businesses with GAR of \$1 million or less. The bank's performance in this category compares favorably with the market aggregate, which originated 54 percent to businesses with GAR of \$1 million or less. In contrast, 84 percent of the businesses in the Illinois assessment area have GAR of \$1 million or less.

Community Development Lending

Community development lending in the Illinois region included 30 loans totaling \$11.5 million or 12 percent of all community development lending by BP North America. Seventy-eight percent of the \$11.5 million supported affordable housing with the financing of 374 housing units. Of the total number of housing units financed, 363 housing units were related to 28 multifamily loans. Several community contacts during this examination noted the need for affordable housing. Twenty-two percent of the dollars supported community services. For details, see Exhibit 12.

INVESTMENT TEST

BP North America's performance under the investment test is rated "outstanding." Qualified investments totaled \$2.4 million or 13 percent of BP North America's total investment activity at this examination. The bank made three investments, including a mortgage-backed security, and several grants. Investments for affordable housing activity totaled \$1.8 million, community services investment activity totaled \$9 thousand, and economic development investment activity totaled \$556 thousand. For details, see Exhibit 13.

SERVICE TEST

The bank's performance under the service test in Illinois is rated "outstanding."

Retail Delivery Systems

Of BP North America's total branches, 21 percent are located in Illinois (Cook and DuPage Counties). For details, see Exhibit 14.

Accessibility of Delivery Systems

The bank provided an excellent level of retail services in the Illinois assessment area. The branch delivery system was readily accessible to all portions of the assessment area. As of December 31, 1999, BP North America operated 19 branches in Illinois, 9 or 47 percent of which were located in LMI geographies. This compares very favorably with state demographics indicating that 34 percent of the population resides in LMI census tracts, 30 percent of families reside in LMI tracts, and 43 percent of total census tracts are LMI.

Alternative Delivery Systems

The branch distribution system was enhanced by alternative delivery systems. As of December 31, 1999, the bank operated 33 ATMs throughout the Illinois assessment area. Of the 33 ATMs, 17 are located in branches and 16 are located off-site. Of the 17 branch ATMs, 8 or 47 percent are located in LMI geographies. Of the 16 off-site ATMs, 7 or 44 percent are located in LMI census tracts. BP North America opened 12 of the 16 off-site ATMs in 1999. The bank also offers telephone banking.

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. The bank acquired five new branches as a result of its merger with the Irving Bank (two branches), Water Tower Bank (two branches), and the Bronson-Gore Bank (one branch). Only one branch was in an LMI tract. No branches were closed or consolidated in Illinois during the examination period.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

The bank's business hours were reasonable and did not vary in a way that inconveniences certain portions of its assessment area. Although branches generally opened at 9 a.m., closing times varied between 3 p.m. and 6 p.m. These variations occurred across all census tract income levels. All nine branches in LMI tracts offer extended hours on Fridays and Saturdays. Five such branches offer extended drive-through hours seven days a week.

Community Development Services

BP North America provides a relatively high level of community development services in its assessment area in Illinois. The services included seven board memberships and fourteen

financial technical assistance activities for numerous community organizations focusing on assisting small businesses in Chicago. There were also eight seminars focusing on Small Business Administration (“SBA”) lending and affordable housing. A senior vice president of the bank also served on the finance committee of a local nonprofit organization which provides counseling to women and families in a poor Chicago neighborhood.

STATE OF CALIFORNIA

CRA RATING FOR CALIFORNIA: "OUTSTANDING."

The lending test is rated: High satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

BP North America's performance in the state is rated "outstanding" based on the following summary conclusions.

LENDING TEST

- The bank's lending levels showed good responsiveness to credit needs in the California assessment areas in light of the bank's size, recent history, loan and deposit market shares, and performance context issues.
- The geographic distribution of loans reflected excellent loan penetration throughout the assessment areas, including LMI geographies where penetration compared very favorably with LMI demographics.
- The distribution of loans among borrowers of different income levels and businesses of different revenue sizes was adequate when considering performance context issues with respect to HMDA-related and small business lending.
- The level of community development lending was excellent, totaling \$16 million.

INVESTMENT TEST

- The level of qualified investments was excellent, totaling \$1.4 million.

SERVICE TEST

- Service delivery systems were readily accessible to geographies and individuals of different income levels in its assessment areas.
- To the extent changes have been made, the record of opening and closing branches has improved the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.
- Services did not vary in a way that inconveniences its assessment areas, particularly in LMI geographies and to LMI individuals.
- The level of community development services was limited.

SCOPE OF EXAMINATION

The California state rating is based on a full analysis of a portion of CMSA 4472 (Los Angeles-Riverside-Orange County, CA) and included a general conclusion regarding the bank's performance in part of MSA 7320 (San Diego, CA). Primary emphasis was placed on performance in CMSA 4472 as it accounts for 94 percent of the bank's branches, 97 percent of the bank's deposits, and 99 percent of the bank's loan activity in the California assessment areas.

For full details, see "Scope of Examination" on page BB11.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

Banco Popular opened a branch in Los Angeles 25 years ago offering small business loans and mortgages. Banco Popular acquired a national bank in Los Angeles in 1996 and a bank with five branches in 1998. Both banks had focused on small business lending. As a result of the 1998 acquisition, three branches were opened the following year in Orange County. New branches were also opened in San Bernardino County in 1997 and in San Diego County in 1999.

As of December 31, 1999, BP North America operated 17 branches in the California assessment areas. Of the 17 branches, 12 or 71 percent are located in PMSA 4480 (Los Angeles-Long Beach, CA). As of June 30, 1999, the California branches maintained approximately \$313 million in deposits, or 9 percent of the bank's total deposits.

During the examination period, approximately 16 percent of total loan activity occurred in the California assessment area, which contains 40 percent of the bank's total assessment area population, 32 percent of the bank's total assessment area census tracts and 19 percent of the bank's branches. The bank's deposit and loan market shares were small with less than one quarter of 1 percent.

BP North America has historically emphasized small business lending in the California region. The bank's future plans include expanding its SBA portfolio and achieving a better balance of HMDA-related and small business loans in order to be a full-service bank in all its communities.

PERFORMANCE CONTEXT

Demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census, and the California Association of Realtors. Information regarding the bank's deposit market share was obtained from the Federal Deposit Insurance Corporation ("FDIC").

Demographic Characteristics

According to the 1990 Census, the assessment area portion of CMSA 4472 has a population of 11.7 million. Of that total, 76 percent resides in PMSA 4480 (Los Angeles-Long Beach, CA), 21 percent resides in PMSA 5945 (Orange County, CA), and 4 percent resides in the assessment area portion of PMSA 6780 (Riverside-San Bernardino, CA). The population in the assessment area portion of the CMSA represents approximately 39 percent of California's population.

Income Characteristics

The 1999 HUD adjusted median family incomes for PMSA 4480 (Los Angeles-Long Beach, CA), PMSA 5945 (Orange County, CA), and PMSA 6780 (Riverside-San Bernardino, CA) are \$51,300, \$68,300, and \$47,200, respectively. The 1990 median family income for the assessment area portion of CMSA 4472 is \$41,738, which is higher than \$39,035 for PMSA 4480, \$36,977 for all of San Bernardino County, and \$40,559 for the state, but lower than \$51,269 for PMSA 5945.

Based on the 1990 Census, of the 2,182 census tracts considered in the analysis, 686 or 31 percent are LMI. PMSA 4480 (Los Angeles-Long Beach, CA) contains 79 percent of the LMI tracts. The 1990 Census also indicates that 41 percent of the families residing in the CMSA are upper-income, 21 percent are middle-income, 17 percent are moderate-income and 22 percent are low-income. Ten percent of families in CMSA 4472 have incomes below the poverty level, which is slightly higher than the level for the state.

Housing Characteristics

The CMSA contains 4.2 million housing units, of which 48 percent are owner-occupied, 46 percent are rentals and the remainder are vacant. The state owner-occupancy level is slightly higher at 52 percent. Within LMI census tracts in the CMSA, the level of owner-occupancy is only 27 percent while rental units constitute 67 percent of all housing units. The balance of housing units are vacant.

Based on the 1990 Census, the median housing value in the CMSA is \$228,809, higher than the state median of \$194,307. For 1999, the California Association of Realtors reported record highs statewide in both home sales and median home prices. California home sales increased 6 percent in 1999 compared with 1998. The 1999 median price of an existing, single-family detached home in California is \$221,520, an 11 percent increase from the previous year. In Los Angeles, Orange County, and Riverside-San Bernardino, single-family detached homes all increased in price in 1999 from the previous year. Orange County had the greatest price increase at 8 percent while prices in the Los Angeles and Riverside-San Bernardino areas increased 7 percent and 6 percent, respectively. The 1999 median home prices for the Los Angeles, Orange County, and Riverside-San Bernardino areas were \$205,310, \$281,460, and \$128,670.

Los Angeles, Orange and San Bernardino Counties have consolidated plans that identify the need for additional housing units for LMI families. The plans for Los Angeles and Orange Counties also identify housing preservation and rehabilitation as a means of ensuring housing availability.

Labor, Employment and Economic Characteristics

Unemployment in the CMSA assessment area decreased between 1997 and 1999. During 1999, in the assessment area portion of PMSA 4480 (Los Angeles-Long Beach, CA), the civilian unemployment rate was 6.6 percent, down from 6.8 percent in 1998 and 8.2 percent in 1997. In the assessment area portion of PMSA 5945 (Orange County, CA), the unemployment rate was 2.9 percent in 1999, down from 3.2 percent in 1998 and 4.1 percent in 1997. In San Bernardino

County, which includes the assessment area portion of PMSA 6780 (Riverside-San Bernardino, CA), the unemployment rate in 1999 was 5.6 percent. This is a decline from the 6.3 percent and 7.3 percent unemployment rates for 1998 and 1997.

According to 1999 Dun & Bradstreet data, CMSA 4472 has 402,187 businesses. Major employment sectors in the CMSA assessment area are services, retail trade, and wholesale trade, constituting 43 percent, 18 percent and 10 percent, respectively, of total business establishments in the CMSA assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

BP North America's performance under the lending test is rated "high satisfactory."

Lending Activity

The bank exhibited good responsiveness to credit needs in its California assessment area given performance context factors, product offerings, and loan and deposit market shares.

In 1999, BP North America originated 815 HMDA-related and small business loans totaling approximately \$127 million. Approximately 54 percent of the loans were small business loans. Of HMDA-related loans included in the analysis, 59 percent were refinancings. Activity in the California assessment area represented 13 percent of all HMDA-related lending and 21 percent of all small business lending analyzed for BP North America at this examination.

The bank's loan market share in California was consistent with its deposit market share. While 9 percent of total deposits were located in the bank's California assessment areas, 19 percent of the total dollar volume of loans was originated there.

CMSA 4472 (LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA)

Lending performance in this CMSA, which has the greatest impact on the bank's California rating, was good based on the following conclusions:

Geographic Distribution of Lending

BP North America's overall distribution of HMDA-related and small business loans indicated excellent loan penetration among low-, moderate-, middle-, and upper-income geographies in CMSA 4472 (Los Angeles-Riverside-Orange County, CA).

During the examination period, the bank originated 28 percent of its HMDA-related loans and 48 percent of its small business loans in LMI geographies. For details, see Exhibits 4C through 7C.

Home Purchase Loans

The geographic distribution of home purchase loans reflected excellent penetration in CMSA 4472. During the examination period, 22 percent of home purchase loans were originated in LMI geographies, while 16 percent of owner-occupied housing units in the CMSA are located in LMI geographies.

The bank's performance in both low- and moderate-income geographies was excellent. Approximately 19 percent of loans were originated in moderate-income geographies while 14 percent of owner-occupied housing units are located in such geographies. In low-income geographies, 3 percent of home purchase loans were originated where 2 percent of the owner-occupied housing units are located.

The bank outperformed the market aggregate for the combined California assessment areas, including MSA 7320 (San Diego, CA).

Refinancings

The geographic distribution of refinancings in LMI geographies was excellent in the CMSA. During the examination period, 32 percent of refinancings were originated in LMI geographies, while 16 percent of owner-occupied housing units in the assessment area are located in LMI geographies. Specifically, 28 percent of refinancings were originated in moderate-income geographies where 14 percent of owner-occupied housing units are located. The bank originated 4 percent of such loans in low-income geographies, which contain 2 percent of owner-occupied housing units in the CMSA assessment area.

The bank outperformed the market aggregate for the combined California assessment areas, including MSA 7320 (San Diego, CA).

Small Business Loans

The overall geographic distribution of small business loans reflected excellent penetration in LMI geographies. Of the bank's small business loans, 48 percent were in LMI geographies. Thirty percent of business establishments in the CMSA are located in LMI geographies.

Lending in low-income geographies (12 percent) exceeded the level of business establishments in low-income geographies (9 percent). In moderate-income geographies, the level of lending (37 percent) also exceeded the level of business establishments in such geographies (21 percent).

BP North America's lending performance in LMI geographies exceeded the market aggregate of all institutions reporting small business loans in the CMSA. The aggregate originated 26 percent of small business loans in LMI geographies.

Borrower Characteristics

Overall, the distribution of borrowers reflected adequate penetration among customers of different income levels and adequate penetration among businesses of different revenue sizes. For details, see Exhibits 8C through 11C.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was adequate considering performance context factors. Seventeen percent of loan originations were to LMI borrowers while LMI families represent 39 percent of all families in the CMSA.

The cost of housing for LMI borrowers in CMSA 4472 is very high and unaffordable compared with the borrowers' incomes. According to the 1990 Census, the median housing value in the CMSA is 5.5 times greater than the median family income. In addition, 11 percent of all families in the assessment area portion of CMSA 4472 live below the poverty line, which limits the ability to penetrate the low-income borrower market.

Lending to moderate-income borrowers was adequate. The bank originated 13 percent of its home purchase loans to moderate-income borrowers while 17 percent of families are moderate-income. For home purchase loans to moderate-income borrowers, the bank performed less favorably than the aggregate in the combined California assessment areas.

After considering housing costs and the market aggregate performance, lending to low-income borrowers was considered adequate. BP North America originated 4 percent of its home purchase loans to low-income borrowers while 22 percent of families are low-income. Home purchase lending to low-income borrowers was commensurate with the aggregate in the combined California assessment areas.

Refinancings

Overall, refinance lending reflected good distribution across borrower income levels considering performance context factors. The bank originated 25 percent of refinancings to LMI borrowers while LMI families represent 39 percent of all families in the CMSA.

Refinancings reflected excellent distribution to moderate-income borrowers. BP North America originated 22 percent of its refinancings to moderate-income borrowers while 17 percent of families are moderate-income. For refinancings to moderate-income borrowers in the combined California assessment areas, the bank outperformed the aggregate.

Refinancings to low-income borrowers represented adequate distribution when performance context issues and the market aggregate performance are considered. The bank originated 3 percent of its refinancings to low-income borrowers while 22 percent of families are low-income. The bank underperformed the aggregate in refinancings to low-income borrowers in the combined California assessment areas.

Refinancings are difficult to extend to low-income borrowers. Low-income borrowers with mortgages may have high LTV ratios under affordable housing programs or obtained their mortgages with sub-market rates. In such cases, refinancings may not be possible or financially prudent. Often the borrower lacks the liquidity for the closing costs necessary to complete refinance transactions.

Small Business Loans

BP North America's record of lending to businesses of different sizes was adequate. Seventy-one percent of the small business loans were for amounts of \$100 thousand or less. The average loan size for such loans was \$38,563, an amount that would meet the credit needs of smaller businesses. The bank's performance, however, compares unfavorably with that of the aggregate of all small business loan reporters, which had 92 percent of all small business loans in amounts of \$100 thousand or less. Aggregate analysis for small business loans was conducted at the CMSA level.

Of all small business loans originated during the examination period, 33 percent were to businesses with GAR of \$1 million or less. In comparison, 86 percent of businesses in CMSA 4472 have GAR of \$1 million or less. However, the bank's share of small business loans to businesses with GAR of \$1 million or less may be higher than reported by the bank. Thirty-eight percent of the small business loans did not indicate the revenue size of the borrower. As such, the size of the small business loans was important as a proxy for the size of the businesses and formed the basis of the conclusion.

Community Development Lending

Community development lending in the California region amounted to 13 loans totaling \$16.4 million or 17 percent of all such lending by BP North America. Ninety-four percent of the \$16.4 million supported affordable housing and revitalization and stabilization activities, which financed 166 housing units. Several community contacts during this examination expressed the need for affordable housing. Six percent of the dollars supported small business development. For details, see Exhibit 12.

INVESTMENT TEST

BP North America's performance under the investment test is rated "outstanding." The bank had excellent performance based on two qualified investments and several grants totaling \$1.4 million or 8 percent of BP North America's total investment activity at this examination. Affordable housing activity totaled \$1.4 million, and financed nine housing units. Community services investment activity totaled \$1,000, and economic development investment activity totaled \$3,000. For details, see Exhibit 13.

SERVICE TEST

The bank's performance under the service test is rated "outstanding."

Retail Delivery Systems

Of BP North America's total number of branches, 19 percent are located in California. For details, see Exhibit 14.

Accessibility of Delivery Systems

BP North America provided an excellent level of retail services in the California assessment area. The branch delivery system was readily accessible to all portions of the assessment area. Of the 17 branches in the California assessment area, 10 or 59 percent were located in LMI geographies. This compares very favorably with the demographics for the California assessment area, which indicate that 34 percent of the population resides in LMI tracts, 30 percent of families reside in LMI census tracts; and 32 percent of total census tracts are LMI.

Of BP North America's 10 branches in LMI tracts in California, 90 percent (9 of 10) are in CMSA 4472.

Within CMSA 4472 (Los Angeles-Riverside-Orange County, CA), 56 percent of BP North America's branches (9 of 16) are in LMI tracts. This compares very favorably with the following CMSA demographics: 34 percent of the population resides in LMI tracts, 29 percent of families reside in LMI census tracts, and 31 percent of total census tracts are LMI.

Alternative Delivery Systems

The branch distribution system was somewhat enhanced by alternative delivery systems. As of December 31, 1999, 14 of 17 branch locations provided ATMs. Eight of the 14 ATM branches (57 percent) were located in moderate-income census tracts. The bank also offers telephone banking.

During the examination period, the bank closed three off-site ATMs acquired from the bank's merger with First State Bank of Southern California. All three off-site ATMs were in LMI tracts.

Changes in Branch Locations

The bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. BP North America opened eight new branches in the California assessment area. Of the eight, four or 50 percent are located in moderate-income census tracts. Five of the eight branches were acquired through the First State Bank of Southern California purchase. No branches were closed or consolidated in California. Furthermore, of the bank's 17 California branches, 2 are full-service branches in supermarkets. One supermarket branch is located in a moderate-income tract, and the other is located in a middle-income tract.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

The bank's business hours were reasonable and did not vary in a way that inconveniences certain portions of its assessment areas. Regular banking hours were generally 9 a.m. to 5 p.m. Monday through Thursday. All ten LMI branches have extended hours on Friday and/or Saturday. One LMI branch has extended Monday hours. Of the ten LMI branches, the Commerce and Los Angeles branches have no Saturday hours. The Commerce branch is within a reasonable distance to a branch with Saturday hours. The Los Angeles branch is located in the downtown business district which has a limited number of families and owner-occupied units.

Community Development Services

BP North America provided a limited level of community development services in the CMSA. The bank conducted six first-time home buyer seminars in CMSA 4472.

MSA 7320 (SAN DIEGO, CA)

The lending test performance in this MSA is below the bank's performance for the state; however, it does not change the rating for the state of California. The bank's service test performance in this MSA is consistent with the bank's performance for the state. Data reviewed, including lending performance and demographic information, can be found in Exhibits 4 through 11, and Exhibit 14.

STATE OF FLORIDA

CRA RATING FOR FLORIDA: "OUTSTANDING."

The lending test is rated: High satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

BP North America's performance in the state is rated "outstanding" based on the following summary conclusions:

LENDING TEST

- BP North America's lending activity showed adequate responsiveness to credit needs in the Florida assessment areas given the bank's size, recent history, loan and deposit market shares, and performance context issues.
- The overall geographic distribution of loans reflected good loan penetration throughout the assessment areas, including LMI geographies where penetration compared favorably with LMI demographics.
- The overall distribution of loans among borrowers of different income levels and businesses of different revenue amounts was good when considering performance context issues with respect to HMDA-related and small business lending.
- The level of community development lending was excellent, totaling \$1.3 million.

INVESTMENT TEST

- BP North America had an excellent level of qualified investments, which totaled \$831 thousand.

SERVICE TEST

- Service delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment areas.
- To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.
- Services did not vary in a way that inconveniences its assessment areas, particularly LMI geographies and LMI individuals.
- The level of community development services was adequate.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

BP North America's presence in the Florida region began in 1997 with the purchase of Seminole National Bank, which then had three branches (including two full-service sites without ATM facilities). The bank emphasized commercial lending over residential mortgage lending.

Since the purchase of Seminole National Bank in May 1997 through the examination period, BP North America's business strategy in the Florida region focuses on small business lending. Hence, conclusions regarding small business lending slightly outweighed those for HMDA-related lending in this region.

As of December 31, 1999, BP North America operated eight branches in the Florida assessment area, representing approximately 9 percent of the bank's total number of branches. The eight branches in the Florida market accounted for approximately \$114 million in deposits, or 3 percent of the bank's total deposits. Approximately 4 percent of BP North America's assets are located in the Florida market. Most of the branches in the Florida assessment areas are in MSA 5960 (Orlando, FL), where seven branches or 88 percent are located.

In addition, the bank operates two loan production units ("LPUs"), one in the Orlando PMSA and the other in MSA 8280 (Tampa-St. Petersburg-Clearwater, FL). The LPU in the Orlando PMSA underwrites primarily mortgage loans while the LPU in Tampa focuses on SBA originations. The bank also operated an LPU for its credit card business in the Orlando PMSA. The bank sold its credit card operations in 2000.

During the examination period, approximately 6 percent of total loan activity occurred in the Florida assessment area. By dollar volume, BP North America's deposit market share was less than 1 percent. The bank's loan market share was less than .5 percent.

BP North America's focuses on small business lending in the Florida assessment areas, and the distribution of the bank's originations in the Florida market in 1999 reflects this business strategy. The commercial loan portfolio consisted mostly of SBA loans, followed by commercial real estate loans and franchise loans.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor, the National Association of Realtors, and the Federal Reserve Bank of Atlanta's Consumer Affairs Unit.

Demographic Characteristics

According to the 1990 Census, the population of MSA 5960 (Orlando, FL) is 1,043,526, which represents 8 percent of the state population and 95 percent of the Florida assessment areas. According to 1999 population estimates, all counties included in the Florida assessment area have had moderate growth in population, with the largest percentage increase in Osceola County,

Florida, and the largest increase in numbers in Orange County, Florida.

Income Characteristics

The 1999 HUD adjusted median family incomes for the Orlando PMSA is \$48,100. The 1990 median family income for the Orlando PMSA is \$36,003. Based on the 1990 Census, 46 of the 188 census tracts used in the analysis, or 24 percent, are LMI geographies. All the LMI geographies are in the Orlando assessment area. Of the total number of families in the Orlando assessment area, 17 percent are low-income, 18 percent are moderate-income, 24 percent are middle-income, and 42 percent are upper-income. Approximately 7 percent of the families in the Orlando assessment area have incomes below the poverty level.

Housing Characteristics

Of the Orlando PMSA's 432,233 housing units, 238,995 or 55 percent are owner-occupied and 149,834 or 35 percent are rental units. The remaining 10 percent of housing units are vacant. In LMI geographies, the level of rental units is 48 percent. About 57 percent of the housing units in the Orlando assessment area are single-family, 14 percent are two- to four-family units, and 22 percent are five units or more.

According to the 1990 Census, the median housing value in the Orlando assessment area is \$84,034, compared with \$76,487 for the state of Florida. In terms of affordability, 20 percent of the specified owner-occupied units were valued at less than \$60 thousand and 68 percent were valued at less than \$100 thousand. According to the National Association of Realtors, the median price for housing in metropolitan Orlando as of 1999 is \$105,300.

Community contacts noted that the Orlando economy is driven by service sector employees earning minimum wage. These employees, many of whom work in the tourist industry, cannot afford homes in the Orlando area. In addition, Orlando in general, and Orange County in particular, have relatively stable housing markets and, in LMI communities, very little housing turnover. The result is lenders have had difficulty penetrating this housing market in Orlando.

Community contacts and various studies by nonprofit agencies indicate a pressing need in assessment area cities for affordable one- to four-family and multifamily housing units. The rising cost of land, development, materials, and labor have decreased the number of affordable housing builders and raised the price of new housing. Even the existing housing market is experiencing price appreciation as a result of a shrinking supply. In order to expand the market for affordable housing, affordable loan programs with innovative and flexible lending criteria are much needed. The contacts also stated that partnerships between public and private entities are needed to help create affordable housing.

A study by the Affordable Housing Task Force for Orange County, which constitutes most of MSA 5960 (Orlando, FL), reports an overwhelming need for affordable housing and an increasing affordability gap in the number of families paying more than 30 percent of their income for housing costs. The study indicated that 38 percent of the renters in Orange County could not afford one-bedroom apartments at a fair market rent.

Programs are available to help LMI families become homeowners. In Orange County, the local government administers the Down Payment Assistance Program (“DAP”), which sets aside more than \$1.25 million a year in State Housing Initiative Program (“SHIP”) subsidies to help families obtain affordable housing.

Labor, Employment and Economic Characteristics

Overall, the economy in the Florida assessment area is booming. Between 1993 and 1996, the Orlando assessment area experienced a 15 percent growth in employment, mostly in the service industry. The unemployment rate for the Orlando MSA assessment area for 1998 and 1999 was 3 percent and 2.7 percent, respectively. Unemployment has been so low in recent years that housing developers have competed fiercely for qualified laborers.

According to Dun and Bradstreet data as of June 1999, MSA 5960 (Orlando, FL) has 44,421 businesses.

Community contacts spoke of the need for loans to help finance start-up businesses and expand small businesses. They also discussed the need for more small business development programs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

In the Florida assessment areas, BP North America's performance under the lending test is rated “high satisfactory.”

Lending Activity

The bank exhibited adequate responsiveness to credit needs in its Florida assessment area.

For 1999, BP North America originated 287 HMDA-related and small business loans totaling approximately \$25.7 million. Approximately 52 percent of the number of loans and 50 percent of the dollar volume of loans were small business loans. Activity in the Florida assessment areas represent 5 percent of all HMDA-related lending and 7 percent of all small business lending by BP North America. Most of the loan activity (93 percent) occurred in MSA 5960 (Orlando, FL), specifically in Orange County (59 percent).

While 3 percent of the bank's total deposits were located in the Florida assessment areas, 4 percent of the total dollar volume of loans was originated there. By dollar volume, however, the bank's loan market share was inconsistent with the bank's deposit market share.

MSA 5960 (ORLANDO, FL)

Performance in this MSA had the greatest impact on the bank's Florida state rating. Lending performance in the MSA was good based on the following conclusions:

Geographic Distribution of Lending

The overall distribution of HMDA-related and small business loans indicates good loan penetration among low-, moderate-, middle-, and upper-income geographies in MSA 5960 (Orlando, FL) when performance context information is considered.

During the examination period, the bank originated 5 percent of its HMDA-related loans and 25 percent of its small business loans in LMI geographies. For details, see Exhibits 4D through 7D.

Home Purchase Loans

The geographic distribution of home purchase loans reflected adequate penetration in MSA 5960 in relation to the performance context issues discussed on page BB47. During the examination period, 5 percent of home purchase loans were originated in LMI geographies, while 12 percent of owner-occupied housing units in the assessment area are located in LMI geographies.

Performance was considered adequate in both low- and moderate-income geographies. No loans were originated in low-income geographies, which contain 1 percent of owner-occupied units. In moderate-income geographies, the bank originated 5 percent of its loans while 11 percent of owner-occupied units are located in these geographies.

Small Business Loans

The overall geographic distribution of small business loans reflected excellent penetration in LMI geographies. Of all the bank's small business loans made in the assessment area, 25 percent were in LMI geographies, which contain 19 percent of assessment area business establishments.

The percentage of small business loans in low-income geographies (7 percent) exceeded the percentage of business establishments in low-income geographies (3 percent). In moderate-income geographies, the percentage of lending (18 percent) also exceeded the percentage of business establishments in such geographies (16 percent).

Borrower Characteristics

The distribution of loans reflected excellent penetration among borrowers of different income levels and adequate penetration among businesses of different revenue sizes. For details, see Exhibits 8D through 11D.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was excellent. For the examination period, 36 percent of loan originations were to LMI borrowers while LMI families represent 35 percent of families in the assessment area.

Lending to moderate-income borrowers was excellent. The bank originated 21 percent of its home purchase loans to moderate-income borrowers while 18 percent of families in the assessment area are moderate-income.

With respect to lending to low-income borrowers, the bank originated 15 percent of its home purchase loans to such borrowers while 17 percent of families are low-income.

Small Business Loans

BP North America's record of lending to businesses of different sizes was adequate. Eighty percent of the bank's small business loans were for amounts of \$100 thousand or less. The average size of such loans is \$25,061, an amount that would meet the credit needs of smaller businesses. The bank's performance, however, compares unfavorably with that of the aggregate of all small business loan reporters throughout MSA 5960. Ninety-two percent of the aggregate's originations and purchases were for amounts of \$100 thousand or less.

Of all small business loans originated during the examination period, 52 percent were to businesses with GAR of \$1 million or less. In comparison, 88 percent of businesses in the Orlando PMSA have GAR of \$1 million or less. The bank's share of small business loans to businesses of GAR of \$1 million or less, however, may be higher than reported by the bank. Thirty-three percent of the small business loans did not indicate the revenue size of the borrower. According to management, these loans include credit card loans that are underwritten using a credit-scoring system that does not consider the revenue size of the business. As such, the size of the small business loans was important as a proxy for the size of the businesses and was the basis for the conclusion.

Community Development Lending

Community development lending in the Florida region totaled two loans for \$1.3 million or 1 percent of all community development lending by BP North America. Seventy-six percent of the \$1.3 million supported affordable housing for 1,625 housing units. During this examination several community contacts expressed the need for affordable housing. Twenty-four percent of the lending supported small business development. For details, see Exhibit 12.

INVESTMENT TEST

In the Florida assessment area, the bank's performance under the investment test is rated "outstanding." Qualified investments totaled \$831 thousand or 5 percent of BP North America's total investment activity at this examination. Affordable housing activity totaled \$829 thousand,

which consisted of investments in two mortgage backed securities. The balance of the qualified investments were grants for community services totaling \$2,000. For details, see Exhibit 13.

SERVICE TEST

The bank's service test performance in the Florida assessment area is rated "outstanding."

Retail Delivery Systems

Of BP North America's total number of branches, 9 percent are located in Florida. For details, see Exhibit 14.

Accessibility of Delivery Systems

BP North America provided an excellent level of retail services in the Florida assessment area. The branch delivery system was readily accessible to all portions of the assessment area. Of the eight branches in the bank's Florida assessment area, two or 25 percent were located in LMI geographies. This compares very favorably with the demographics of the Florida assessment area that indicate 16 percent of the population resides in LMI tracts, 14 percent of families reside in LMI census tracts, and 24 percent of total census tracts are LMI.

MSA 5960 (Orlando, FL) contains 88 percent of branches (seven of eight) in Florida.

Within MSA 5960, 29 percent of BP North America's branches (2 of 7) are in LMI tracts. This compares very favorably with the MSA demographics, which indicate 17 percent of the population resides in LMI census tracts, 15 percent of families reside in LMI census tracts; and 24 percent of total census tracts are LMI.

Alternative Delivery Systems

The branch distribution system was somewhat enhanced by alternative delivery systems. As of December 31, 1999, the bank operated an ATM at each of its branches in Florida. The bank also offers banking by telephone.

Changes in Branch Locations

BP North America's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. During the review period, the bank closed two branches in middle-income tracts. The branches were closed in accordance with the bank's formal written policy, which conforms to the *Joint Interagency Policy Statement Regarding Branch Closings*. No branches opened in 1999.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

The bank's business hours were reasonable and did not vary in a way that inconveniences certain portions of its assessment areas. Regular banking hours were generally 9 a.m. to 4 p.m. Monday

through Thursday. All branch locations offered extended hours until 6 p.m. on Friday. Saturday banking hours were offered at all branches except for the Orange Avenue branch, which is located in an LMI tract. Saturday hours were not offered there because of low customer activity. The branch, however, is within a reasonable distance to other branch locations.

Community Development Services

BP North America provided an adequate level of community development services in Florida. These services included nine small business seminars and six technical assistance activities in both economic development and affordable housing. Bank employees also work on committees and serve on boards.

MSA 2020 (DAYTONA, FL)

The bank's performance in this MSA under the lending and service tests was generally consistent with its performance for the state except for small business loans to businesses with GAR of \$1 million or less. This conclusion, however, is based on low loan volume. Data reviewed, including lending performance and demographic information, can be found in the Florida segments of Exhibits 4 through 11, and Exhibit 14.

STATE OF TEXAS

CRA RATING FOR TEXAS: "SATISFACTORY."

The lending test is rated: Low satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

BP North America's performance in Texas is rated "satisfactory" based on the following summary conclusions:

LENDING TEST

- Lending activity showed adequate responsiveness to assessment area credit needs given the bank's size, recent history, and deposit and loan market share.
- The overall geographic distribution of loans reflected excellent penetration throughout the Texas assessment area.
- The overall distribution of loans among borrowers of different income levels and businesses of different revenue sizes was excellent.
- The level of community development lending was adequate, totaling \$49 thousand.

INVESTMENT TEST

- The level of qualified investments was excellent, totaling \$766 thousand.

SERVICE TEST

- Service delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment areas.
- To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.
- Services did not vary in a way that inconveniences its assessment areas, particularly LMI geographies and LMI individuals.
- The level of community development services was adequate.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXAS

BP North America operated five retail branches in the Texas assessment area, representing 5 percent of all retail branches in the bank's combined assessment areas. The Texas branches contain \$74 million in deposits, or 2 percent of the bank's total branch deposits in its combined assessment areas. According to the bank, approximately \$186 million or 4 percent of the bank's assets are in the state of Texas.

The bank also maintains a loan production office in PMSA 1920 (Dallas, TX) which focuses on SBA lending. Its 1999 loan activity was outside the bank's assessment area and was not included in the analysis.

Banco Popular began operations in Texas on December 1, 1997, with the acquisition of an existing national bank in northeast Houston. This retail-oriented, one-branch bank made commercial or small business loans only to accommodate existing customers. The bank originated primarily broker-referred home purchase mortgage loans that consisted of a non-conforming fixed-rate product with higher-than-market interest rates.

Popular added home improvement and small business loans to its product offerings when it entered the Texas market. Home improvement loans during the examination period were originated primarily for the purchase of air conditioning units through a referral of applications from two air conditioning sales businesses. These arrangements lasted less than a year.

Initially, Banco Popular operated in Texas under a national charter, Banco Popular, NA, a wholly owned subsidiary of Popular, Inc. In 1998, the bank opened three new branches and another the following year. The CRA performance of Banco Popular NA, Texas, was evaluated by the Office of the Comptroller of the Currency on April 6, 1998. At that time the bank received an overall rating of "outstanding" under the small bank performance standards.

Approximately 15 percent of total loan activity analyzed at this examination occurred in the Texas assessment area. The bank's deposit market share is less than one quarter of 1 percent. The bank's loan market share is just over one quarter of 1 percent.

The bank's level of small business lending was modest in the Texas assessment area, which is consistent with the bank's recent strategy of expanding its commercial portfolio and its recent entry into the Texas region.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor, the Texas Workforce Commission, the City of Houston Department of Housing and Community Development, and the Houston Association of Realtors.

Banco Popular's assessment area in Texas includes a portion of CMSA 3362, including part of PMSA 3360 (Houston, TX). Of the PMSA's six counties on the Texas Gulf Coast, only Harris County is included in the bank's Texas assessment area. Houston, the largest city in the state and

fourth largest in the nation, is located in Harris County, which is the largest county in Texas. It is also the largest of the six counties that make up the Houston PMSA, with almost 85 percent of the PMSA's total population.

Demographic Characteristics

According to the 1990 Census, the total population of the bank's Texas assessment area is approximately 2.8 million. The Census Bureau estimates that the population increased 15 percent to 3.2 million as of July 1, 1999. More than 64 percent (1.8 million) of the population resides in the city of Houston. The population in the Texas assessment area represents 9 percent of the total population residing in the assessment areas under evaluation at this examination.

Income Characteristics

The 1990 median family income for the assessment area portion of PMSA 3360 (Houston, TX) is \$36,404, compared with \$31,553 for the state. The 1999 HUD-adjusted median family income for the Houston PMSA is \$54,100. The assessment area contains 582 populated census tracts, 266 or 46 percent of which are LMI. Of the 266 LMI census tracts, 14 census tracts are categorized as low-income tracts that have no population and/or housing units. LMI census tracts are concentrated on the northeast, east and south sides of Houston.

The assessment area has 708,831 families, most of which (40 percent) are upper-income. Twenty-three percent of the families are low-income, 17 percent are moderate-income, and 20 percent are middle-income families. Compared with 14 percent statewide, 12.5 percent of total families are living below the poverty level. Only 8 percent of total families reside in low-income census tracts. Moderate-income tracts contain 27 percent of assessment area families, and the remaining 65 percent are equally divided between the middle- and upper-income census tracts in the assessment area.

Housing Characteristics

There are 1,173,808 housing units in the assessment area. Owner-occupancy in Harris County is low at 45.5 percent. By contrast, in the five counties in the Houston PMSA which are not included in the bank's assessment area, owner-occupancy ranges from 57.6 percent in Waller County to 69.5 percent in Chambers County. The state owner-occupancy percentage is 52.7 percent. Rental units represent 42 percent of all housing units in Harris County. This figure is substantially higher than that of other counties in the Houston PMSA, which ranges from 16.4 percent to 26.3 percent.

The 1990 median housing value is \$62,567 and median gross rent is \$405. Information from the Houston Association of Realtors Multiple Listing Service reports soaring housing prices in the Houston area, especially since 1995. The median home price rose 39 percent between 1995 and 2000, from \$79,000 to \$109,500. The single-family residential market is booming in the Houston area as a result of strong job growth and low interest rates, combined with labor and materials shortages for new homes and a low inventory of homes for sale.

The housing boom has not increased homeownership percentages, however, since the median sale price of homes in the Houston market is out of reach for most of the LMI households in the community. Housing is generally less affordable in the assessment area compared with all other counties in the PMSA except Fort Bend and Montgomery Counties, which have 1990 median values of \$70,725 and \$68,938, respectively.

According to the City of Houston's 2000 Consolidated Plan, the city's LMI residents face a shortage of affordable housing. Families with incomes below 30 percent of median family income have the greatest difficulty obtaining affordable rent. A total of 12,500 families are on the waiting list for Section 8 Tenant-Based Assistance, and 4,863 families are on the waiting list for public housing.

Fifty-four percent of the housing units in the assessment area are single-family, 34 percent are multifamily units housing five or more families, and 9 percent are two- to four-family units. Almost 10 percent of these housing units are located in low-income tracts, 29 percent in moderate-income tracts, 32 percent in middle-income tracts, and 30 percent in upper-income tracts. The distribution of the 533,891 owner-occupied units by tract is 6 percent low-income, 23 percent moderate-income, 32 percent middle-income, and 39 percent upper-income.

The median age of the housing stock in the assessment area is 20 years, with only 11 percent of units built before 1950. The oldest homes are located in moderate-income tracts, where the median age is 33 years, compared with 28, 22 and 23 years in the low-, middle- and upper-income tracts, respectively. Approximately half of the city of Houston's public housing was constructed in the 1930s and 1940s, and needs constant maintenance and regular renovation.

Labor, Employment and Economic Characteristics

Diversifying in the 1990s, the Houston economy expanded from a primarily oil-dependent economy to a highly industrialized corporate management and international business center and a center for energy, space and medical research. The petrochemical industry continues to employ about half of Houston's workforce. The labor force has grown over 19 percent since 1990, totaling 1.8 million (17 percent of the state's 10.4 million workers) as of May 2000. Unemployment continues to decline, averaging 4.3 percent in May 2000.

According to Dun & Bradstreet, almost 18 percent of the total number of business establishments in the state are located in Harris County, which has 108,028 businesses as of June 1999. The services industry dominates with 44 percent of total businesses, followed by 19 percent retail trade, 8 percent wholesale trade, and almost 8 percent in finance, insurance and real estate.

Community contacts said community development corporations and community housing development organizations have proliferated in recent years, offering area financial institutions numerous opportunities for community development investment. In addition, a 20-square-mile area that includes Houston's central business district is a federally designated Enhanced Enterprise Community. This designation provides access to new economic development financing programs for micro-enterprise and small business loans as well as large scale development projects through the Economic Development Initiative ("EDI")/Section 108 Loan

Guarantee Program. Community credit needs include affordable housing financing and rehabilitation, as well as loans under \$100 thousand for small business start-ups.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

In the Texas assessment area, BP North America's performance under the lending test is rated "low satisfactory."

Lending Activity

The bank exhibited adequate responsiveness to credit needs in its Texas assessment area PMSA 3360 (Houston, TX) given performance context factors, product offerings, and deposit and loan market shares.

For the examination period, 755 loans totaling \$26.9 million were originated. HMDA-related loans accounted for approximately 88 percent of the total number of loans, and small business loans accounted for 12 percent. By dollar volume, the bank's loan market share exceeded its deposit market share. While 2 percent of the total deposits were located in the bank's Texas assessment areas, 4 percent of the total dollar volume of loans was originated there.

However, the bank's home purchase loan product, which represents 52 percent of originations in the assessment area for 1999, is limited to one mortgage product with a fixed interest rate several basis points higher than the prevailing market rate. This mortgage product's high interest rate is a result of its nonconforming features, such as higher LTVs, which are not generally accepted by secondary market underwriting guidelines. Based on a review of performance context information and community contacts, this very limited product offering reflected only adequate responsiveness to community credit needs. Community contacts have indicated that affordable housing is a critical credit need in the city of Houston, which offers many opportunities for bank involvement beyond this single high interest rate home purchase loan product offered by the bank.

Geographic Distribution of Lending

Overall, the analysis showed excellent loan penetration among low-, moderate-, middle-, and upper-income geographies in the Texas assessment area. The bank originated 52 percent of its HMDA-related loans and 56 percent of its small business loans in LMI geographies. For details, see Exhibits 4E through 7E.

Home Purchase Loans

The geographic distribution of home purchase loans reflected excellent penetration in the Texas assessment area. Forty percent of home purchase loans were originated in LMI geographies, while 28 percent of owner-occupied housing units in the assessment area are located in LMI

geographies. Popular outperformed the aggregate of all HMDA reporters in 1999, who reported 12 percent of home purchase loans in LMI geographies.

Performance was excellent in both low- and moderate-income geographies. The bank originated 33 percent of its home purchase loans in moderate-income geographies while 23 percent of owner-occupied housing units are located in moderate-income geographies. In low-income geographies, where 6 percent of owner-occupied housing units are located, the bank originated 6 percent of total home purchase loans. In addition, performance in both low- and moderate-income geographies compares favorably with the aggregate of all 1999 HMDA reporters.

Home Improvement Loans

The geographic distribution of home improvement loans in LMI geographies was excellent in the assessment area. Seventy-three percent of home improvement loans were originated in LMI geographies, while 28 percent of owner-occupied housing units in the assessment area are located in LMI geographies. Popular outperformed the aggregate of all HMDA reporters in 1999, who reported 23 percent of home improvement loans in LMI geographies.

Home improvement activity in both low- and moderate-income geographies was excellent. The bank originated 60 percent of its home improvement loans in moderate-income geographies, while 23 percent of owner-occupied housing units are located in moderate-income geographies. In low-income geographies, where 6 percent of owner-occupied housing units are located, the bank originated 13 percent of the total home improvement loans. The bank also outperformed the aggregate of all 1999 HMDA reporters in lending within low- and moderate-income geographies.

Small Business Loans

The overall geographic distribution of small business loans reflected excellent penetration in LMI geographies. Of the bank's 90 small business loans, 50 or 56 percent were in LMI geographies, which contain 35 percent of assessment area business establishments.

Lending was strongest in moderate-income geographies where 48 percent of the bank's small business loans were originated, which far exceeds the percentage of business establishments in such geographies (28 percent).

Lending performance in LMI geographies significantly exceeded the aggregate of all institutions reporting small business loans in the Texas assessment area. The aggregate originated only 29 percent of small business loans in LMI geographies.

Borrower Characteristics

The overall distribution of loans reflected excellent penetration among individuals of different income levels and excellent penetration among businesses of different sizes. For details, see Exhibits 8E through 11E.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was excellent. For the examination period, 67 percent of loan originations were to LMI borrowers while LMI families represent 40 percent of families in Harris County.

Home purchase lending to moderate-income borrowers reflected excellent distribution. BP North America originated 42 percent of its home purchase loans to moderate-income borrowers while 17 percent of families are moderate-income. The bank outperformed the aggregate HMDA reporters, which originated 22 percent of the loans to middle-income borrowers.

Home purchase lending to low-income borrowers reflected excellent distribution. Twenty-five percent of the bank's home purchase loans were originated to low-income borrowers, while low-income families constitute 23 percent of all families in the Texas assessment area. The bank outperformed the aggregate in home purchase lending to low-income borrowers. The aggregate of HMDA reporters originated 10 percent of home purchase loans to such borrowers.

Home Improvement Loans

The level of home improvement loans to LMI borrowers was excellent. Sixty-seven percent of home improvement loans were originated to LMI borrowers, which significantly exceeds the percentage of LMI families in the county (40 percent).

The bank's home improvement lending to moderate-income borrowers reflected excellent distribution. The bank originated 33 percent of its home improvement loans to moderate-income borrowers, while 17 percent of families are moderate-income. The bank outperformed the aggregate HMDA reporters, which originated 16 percent of originations to such borrowers.

Home improvement lending to low-income borrowers reflected excellent distribution. The bank originated 34 percent of its home improvement loans to low-income borrowers, which exceeds the level of low-income families (23 percent) in the Texas assessment area. The bank greatly outperformed the aggregate, which originated 12 percent of home improvement loans to such borrowers.

Small Business Loans

The bank's record of lending to businesses of different sizes was good. Eighty-four percent of the small business loans were for amounts of \$100 thousand or less. The average loan size for such loans was \$27,684, which indicates that the bank's responsiveness to a reported credit need in the community for small business loans under \$100 thousand. The bank's performance in originating loans of \$100 thousand or less was lower than performance by the aggregate, which had 90 percent of small business loans in amounts of \$100 thousand or less.

Of all small business loans, 76 percent were to businesses with GAR of \$1 million or less. The bank's performance in this category compares favorably with the market aggregate, which originated 59 percent to businesses with GAR of \$1 million or less. Eighty-seven percent of the businesses in the Texas assessment area have GAR of \$1 million or less.

GAR was not a credit decision factor for 16 percent of all small business loans reported by the bank. On a dollar basis, these loans totaled only \$78 thousand or 1 percent of the total dollar volume of small business loans originated by the bank. The average loan amount of \$5,571 for the loans without revenue data can be considered a proxy for the size of the businesses and provides further evidence that the bank is responsive to the credit needs of small businesses.

Community Development Lending

During the examination period, the bank reached an only adequate level of community development lending in the Texas assessment area, taking into account the Texas bank's size and ability to originate community development loans given its consolidation efforts. The bank originated a \$49 thousand loan for the purchase of a drug rehabilitation clinic in an LMI area of Houston. For details, see Exhibit 12.

INVESTMENT TEST

BP North America's performance under the investment test is rated "outstanding." Qualified investments totaled \$766 thousand or 4 percent of The bank's total investment activity for this examination. Of the total, \$11 thousand were grants. Affordable housing activity totaled \$755 thousand, community service investment activity totaled \$3 thousand and economic development investment activity totaled \$8 thousand. Investments in affordable housing included one mortgage-backed security. For details, see Exhibit 13.

SERVICE TEST

The bank's performance under the service test in the Texas assessment area is rated "outstanding."

Retail Delivery Systems

Of BP North America's total number of branches, 5 percent are located in the Texas assessment area. For details, see Exhibit 14.

Accessibility of Delivery Systems

BP North America provided an excellent level of retail services in the Texas assessment area. The branch delivery system was readily accessible to all portions of the assessment area. Of the five branches in the assessment area, four or 80 percent were located in LMI geographies. This compares very favorably with the demographics of PMSA 3360 (Houston, TX) indicating that 38 percent of the population resides in LMI tracts, 35 percent of families reside in LMI census tracts, and 46 percent of total census tracts are LMI.

Alternative Delivery Systems

The branch distribution system was somewhat enhanced by alternative delivery systems. As of December 31, 1999, the bank operated five ATMs, one at each of its five branches in the Texas assessment area. The bank also offers telephone banking.

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. During the examination period, BP North America opened one branch in a moderate-income census tract northwest of downtown Houston. No branches were closed or consolidated during the examination period.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

The bank's business hours were reasonable and did not vary in a way that inconveniences certain portions of its assessment areas. Regular banking hours were generally 9 a.m. to 6 p.m. Monday through Friday. All branches offered extended hours on Saturday.

Community Development Services

BP North America provided an adequate amount of community development services in the Texas assessment area. Community development services included ten technical assistance activities with an officer, board member, or volunteer for community organizations engaging in economic development or community services for LMI individuals. Four bank personnel also conducted three small business seminars. The bank also offers a low-cost checking account and an electronic transfer account for LMI individuals.

EXHIBITS

EXHIBIT 1				
Summary of Lending Activity				
Banco Popular and Affiliates				
January 1, 1999 – December 31, 1999				
Loan Type	#	%	\$('000s)	%
HMDA home purchase	1,063	--	\$139,184	--
HMDA refinancings	728	--	\$142,957	--
HMDA home improvement	1,153	--	\$10,080	--
HMDA multifamily	119	--	\$86,920	--
Total HMDA-related	3,063	59	\$379,141	58
Total small business	2,115	41	\$272,664	42
TOTAL LOANS	5,178	100	\$651,805	100

EXHIBIT 2												
Loan Activity by Assessment Area												
Banco Popular North America												
Loan Type	CMSA 5602		Illinois		California		Florida		Texas		TOTALS	
	#	%	#	%	#	%	#	%	#	%	#	%
Home purchase	344	23%	100	6%	134	16%	89	31%	396	52%	1,063	21%
Refinancings	360	24%	101	6%	223	27%	31	11%	13	2%	728	14%
Home improvement	153	10%	705	41%	21	3%	18	6%	256	34%	1,153	23%
Small business	632	42%	807	47%	437	54%	149	52%	90	12%	2,115	42%
TOTALS	1,489	100%	1,713	100%	815	100%	287	100%	755	100%	5,059	100%

* Table does not include multifamily loans.

EXHIBIT 3

Lending Inside and Outside The Assessment Area¹

January 1, 1999 – December 31, 1999

Loan Type	Inside				Outside ²				TOTALS	
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%	#	\$ ('000s)
Home purchase	393	71	76,957	71	160	29	30,795	29	553	107,752
Refinancings	432	62	95,975	59	267	38	67,920	41	699	163,895
Home improvement	897	86	9,048	86	148	14	1,483	14	1,045	10,531
Multifamily	119	98	86,920	99	2	2	800	1	121	87,720
Total HMDA-related	1,841	76	268,900	73	577	24	100,998	27	2,418	369,898
Total small business	2,025	80	267,247	73	523	21	99,958	27	2,548	367,205
TOTALS	3,866	78	536,147	73	1,100	22	200,956	27	4,966	737,103

¹ Table excludes Texas Bank (Banco Popular, NA) affiliate activity.

² All loans booked through BP North America which are located in Texas are outside the assessment area.

EXHIBIT 4A
Distribution of Home Purchase Loans Across Census Tract Income Levels
 January 1, 1999 - December 31, 1999

Tracts CMSA 5602 Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
BRONX	8.35	8.33	11.59	19.44	42.09	33.33	37.96	38.89	75,820	36
KINGS	5.02	0.00	20.71	10.91	47.18	41.82	27.10	47.27	215,843	55
NEW YORK	2.04	9.20	7.68	6.90	7.11	2.30	83.18	81.61	127,973	87
QUEENS	0.29	0.00	5.59	10.99	45.69	50.55	48.43	38.46	306,127	91
WESTCHESTER	0.00	0.00	0.00	0.00	21.48	25.00	78.52	75.00	13,080	4
PMSA 5600 Total	2.80	4.03	10.88	10.62	38.64	30.77	47.68	54.58	738,843	273
NY 5602 Total	2.80	4.03	10.88	10.62	38.64	30.77	47.68	54.58	738,843	273
ESSEX	5.78	6.25	21.18	18.75	27.27	31.25	45.77	43.75	126,345	16
UNION	0.71	0.00	13.75	0.00	53.93	0.00	31.62	100.00	112,508	2
PMSA 5640 Total	3.39	5.56	17.68	16.67	39.83	27.78	39.10	50.00	238,853	18
HUDSON	0.60	0.00	10.42	16.67	59.59	44.44	29.40	38.89	67,837	18
PMSA 3640 Total	0.60	0.00	10.42	16.67	59.59	44.44	29.40	38.89	67,837	18
BERGEN	0.02	0.00	7.65	14.71	53.42	55.88	38.91	29.41	209,807	34
PASSAIC	2.66	100.00	19.14	0.00	64.16	0.00	14.04	0.00	86,638	1
PMSA 0875 Total	0.79	2.86	11.01	14.29	56.56	54.29	31.64	28.57	296,445	35
NJ 5602 Total	1.80	2.82	13.58	15.49	50.27	45.07	34.34	36.62	603,135	71
CMSA 5602 Total	2.35	3.78	12.10	11.63	43.87	33.72	41.68	50.87	1,341,978	344
CMSA Assessment Area	2.35	3.78	12.10	11.63	43.87	33.72	41.68	50.87	1,341,978	344

EXHIBIT 4B (Illinois)

Tracts ILLINOIS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
COOK	4.32	11.58	17.17	32.63	50.37	47.37	28.14	8.42	1,042,793	95
DU PAGE	0.00	0.00	0.00	0.00	31.12	60.00	68.88	40.00	207,931	5
PMSA 1600 Total	3.61	11.00	14.32	31.00	47.17	48.00	34.91	10.00	1,250,724	100
CMSA 1602 Total	3.61	11.00	14.32	31.00	47.17	48.00	34.91	10.00	1,250,724	100
IL Assessment Area	3.61	11.00	14.32	31.00	47.17	48.00	34.91	10.00	1,250,724	100

EXHIBIT 4C (California)

Tracts CALIFORNIA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
LOS ANGELES	2.34	3.54	14.25	19.47	34.73	34.51	48.68	42.48	1,440,864	113
PMSA 4480 Total	2.34	3.54	14.25	19.47	34.73	34.51	48.68	42.48	1,440,864	113
ORANGE	0.77	0.00	17.19	12.50	45.08	50.00	36.96	37.50	496,824	16
PMSA 5945 Total	0.77	0.00	17.19	12.50	45.08	50.00	36.96	37.50	496,824	16
SAN BERNARDINO	0.00	0.00	2.42	25.00	35.84	25.00	61.74	50.00	93,600	4
PMSA 8780 Total	0.00	0.00	2.42	25.00	35.84	25.00	61.74	50.00	93,600	4
CA 4472 Total	1.85	3.01	14.43	18.80	37.31	36.09	46.42	42.11	2,031,288	133
CMSA 4472 Total	1.85	3.01	14.43	18.80	37.31	36.09	46.42	42.11	2,031,288	133
SAN DIEGO	3.85	0.00	17.98	0.00	55.44	100.00	22.73	0.00	228,291	1
MSA 7320 Total	3.85	0.00	17.98	0.00	55.44	100.00	22.73	0.00	228,291	1
CA Assessment Area	2.05	2.99	14.79	18.66	39.14	36.57	44.02	41.79	2,259,579	134

EXHIBIT 4D (Florida)

Tracts FLORIDA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
ORANGE	0.96	0.00	12.30	2.38	59.82	66.67	26.92	30.95	151,225	42
OSCEOLA	0.00	0.00	19.06	10.00	63.45	80.00	17.49	10.00	15,767	30
SEMINOLE	1.58	0.00	6.79	0.00	46.32	58.33	45.31	41.67	72,003	12
MSA 5960 Total	1.08	0.00	11.08	4.76	55.99	70.24	31.84	25.00	238,995	84
VOLUSIA	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19,783	5
MSA 2020 Total	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19,783	5
FL Assessment Area	1.00	0.00	10.24	4.49	59.36	71.91	29.41	23.60	258,778	89

EXHIBIT 4E (Texas)

Tracts TEXAS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
HARRIS	5.76	6.31	22.64	33.33	32.26	39.65	39.34	20.71	533,891	396
PMSA 3360 Total	5.76	6.31	22.64	33.33	32.26	39.65	39.34	20.71	533,891	396
CMSA 3362 Total	5.76	6.31	22.64	33.33	32.26	39.65	39.34	20.71	533,891	396
TX Assessment Area	5.76	6.31	22.64	33.33	32.26	39.65	39.34	20.71	533,891	396

EXHIBIT 5A Distribution of Refinancings Across Census Tract Income Levels

January 1, 1999 - December 31, 1999

Tracts CMSA 5602 Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
BRONX	8.35	38.89	11.59	5.56	42.09	27.78	37.96	27.78	75,820	18
KINGS	5.02	8.77	20.71	12.28	47.18	31.58	27.10	47.37	215,843	57
NEW YORK	2.04	4.23	7.68	7.04	7.11	7.04	83.18	81.69	127,973	71
QUEENS	0.29	0.00	5.59	8.00	45.69	38.00	48.43	54.00	306,127	50
WESTCHESTER	0.00	0.00	0.00	0.00	21.48	11.11	78.52	88.89	13,080	9
PMSA 5600 Total	2.80	7.32	10.88	8.29	38.64	23.41	47.68	60.98	738,843	205
NY 5602 Total	2.80	7.32	10.88	8.29	38.64	23.41	47.68	60.98	738,843	205
ESSEX	5.78	0.00	21.18	6.25	27.27	9.38	45.77	84.38	126,345	32
UNION	0.71	0.00	13.75	25.00	53.93	16.67	31.62	58.33	112,508	12
PMSA 5640 Total	3.39	0.00	17.68	11.36	39.83	11.36	39.10	77.27	238,853	44
HUDSON	0.60	0.00	10.42	5.88	59.59	58.82	29.40	35.29	67,837	17
PMSA 3640 Total	0.60	0.00	10.42	5.88	59.59	58.82	29.40	35.29	67,837	17
BERGEN	0.02	0.00	7.65	1.30	53.42	35.06	38.91	63.64	209,807	77
PASSAIC	2.66	0.00	19.14	5.88	64.16	70.59	14.04	23.53	86,638	17
PMSA 0875 Total	0.79	0.00	11.01	2.13	58.56	41.49	31.64	56.38	298,445	94
NJ 5602 Total	1.80	0.00	13.58	5.16	50.27	34.84	34.34	60.00	603,135	155
CMSA 5602 Total	2.35	4.17	12.10	6.94	43.87	28.33	41.68	60.56	1,341,978	360
CMSA Assessment Area	2.35	4.17	12.10	6.94	43.87	28.33	41.68	60.56	1,341,978	360

EXHIBIT 5B (Illinois)

Tracts ILLINOIS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
COOK	4.32	4.49	17.17	48.31	50.37	35.96	28.14	11.24	1,042,793	89
DU PAGE	0.00	0.00	0.00	0.00	31.12	41.67	68.88	58.33	207,931	12
PMSA 1600 Total	3.61	3.96	14.32	42.57	47.17	36.63	34.91	16.83	1,250,724	101
CMSA 1602 Total	3.61	3.96	14.32	42.57	47.17	36.63	34.91	16.83	1,250,724	101
IL Assessment Area	3.61	3.96	14.32	42.57	47.17	36.63	34.91	16.83	1,250,724	101

EXHIBIT 5C (California)

Tracts CALIFORNIA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
LOS ANGELES	2.34	4.66	14.25	29.53	34.73	33.16	48.68	32.64	1,440,864	193
PMSA 4480 Total	2.34	4.66	14.25	29.53	34.73	33.16	48.68	32.64	1,440,864	193
ORANGE	0.77	0.00	17.19	21.43	45.08	42.86	36.96	35.71	496,824	28
PMSA 5945 Total	0.77	0.00	17.19	21.43	45.08	42.86	36.96	35.71	496,824	28
SAN BERNARDINO	0.00	0.00	2.42	0.00	35.84	50.00	61.74	50.00	93,600	2
PMSA 6780 Total	0.00	0.00	2.42	0.00	35.84	50.00	61.74	50.00	93,600	2
CA 4472 Total	1.85	4.04	14.43	28.25	37.31	34.53	46.42	33.18	2,031,288	223
CMSA 4472 Total	1.85	4.04	14.43	28.25	37.31	34.53	46.42	33.18	2,031,288	223
SAN DIEGO	3.85	0.00	17.98	0.00	55.44	0.00	22.73	0.00	228,291	0
MSA 7320 Total	3.85	0.00	17.98	0.00	55.44	0.00	22.73	0.00	228,291	0
CA Assessment Area	2.05	4.04	14.79	28.25	39.14	34.53	44.02	33.18	2,259,579	223

EXHIBIT 5D (Florida)

Tracts FLORIDA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
ORANGE	0.96	0.00	12.30	5.56	59.82	61.11	26.92	33.33	151,225	18
OSCEOLA	0.00	0.00	19.06	25.00	63.45	75.00	17.49	0.00	15,767	4
SEMINOLE	1.58	0.00	6.79	0.00	46.32	40.00	45.31	60.00	72,003	5
MSA 5960 Total	1.08	0.00	11.08	7.41	55.99	59.26	31.84	33.33	238,995	27
VOLUSIA	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19,783	4
MSA 2020 Total	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19,783	4
FL Assessment Area	1.00	0.00	10.24	6.45	59.36	64.52	29.41	29.03	258,778	31

EXHIBIT 5E (Texas)

Tracts TEXAS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	% Owner-Occupied Units	% of Loans	# Owner-Occupied Units	# of Loans
HARRIS	5.76	0.00	22.64	38.46	32.26	23.08	39.34	38.46	533,891	13
PMSA 3360 Total	5.76	0.00	22.64	38.46	32.26	23.08	39.34	38.46	533,891	13
CMSA 3362 Total	5.76	0.00	22.64	38.46	32.26	23.08	39.34	38.46	533,891	13
TX Assessment Area	5.76	0.00	22.64	38.46	32.26	23.08	39.34	38.46	533,891	13

EXHIBIT 6A
Distribution of Home Improvement Loans Across Census Tract Income Levels
 January 1, 1999 - December 31, 1999

Tracts CMSA 5602 Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	# Owner- Occupied Units	# of Loans
BRONX	8.35	16.00	11.59	8.00	42.09	56.00	37.96	20.00	75,820	25
KINGS	5.02	15.25	20.71	23.73	47.18	40.68	27.10	20.34	215,843	59
NEW YORK	2.04	33.33	7.68	0.00	7.11	0.00	83.18	66.67	127,973	6
QUEENS	0.29	0.00	5.59	3.23	45.69	64.52	48.43	32.26	306,127	31
WESTCHESTER	0.00	0.00	0.00	0.00	21.48	100.00	78.52	0.00	13,080	1
PMSA 5600 Total	2.80	12.30	10.88	13.93	38.64	48.36	47.68	25.41	738,843	122
NY 5602 Total	2.80	12.30	10.88	13.93	38.64	48.36	47.68	25.41	738,843	122
ESSEX	5.78	12.50	21.18	37.50	27.27	25.00	45.77	25.00	126,345	8
UNION	0.71	0.00	13.75	20.00	53.93	60.00	31.62	20.00	112,508	5
PMSA 5640 Total	3.39	7.69	17.68	30.77	39.83	38.46	39.10	23.08	238,853	13
HUDSON	0.60	0.00	10.42	37.50	59.59	50.00	29.40	12.50	67,837	8
PMSA 3640 Total	0.60	0.00	10.42	37.50	59.59	50.00	29.40	12.50	67,837	8
BERGEN	0.02	0.00	7.65	14.29	53.42	71.43	38.91	14.29	209,807	7
PASSAIC	2.66	66.67	19.14	0.00	64.16	33.33	14.04	0.00	86,638	3
PMSA 0875 Total	0.79	20.00	11.01	10.00	56.56	60.00	31.64	10.00	296,445	10
NJ 5602 Total	1.80	9.68	13.58	25.81	50.27	48.39	34.34	16.13	603,135	31
CMSA 5602 Total	2.35	11.76	12.10	16.34	43.87	48.37	41.68	23.53	1,341,978	153
CMSA Assessment Area	2.35	11.76	12.10	16.34	43.87	48.37	41.68	23.53	1,341,978	153

EXHIBIT 6B (Illinois)

Tracts ILLINOIS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	# Owner- Occupied Units	# of Loans
COOK	4.32	12.26	17.17	39.27	50.37	43.50	28.14	4.96	1,042,793	685
DU PAGE	0.00	0.00	0.00	0.00	31.12	20.00	68.88	80.00	207,931	20
PMSA 1600 Total	3.61	11.91	14.32	38.16	47.17	42.84	34.91	7.09	1,250,724	705
CMSA 1602 Total	3.61	11.91	14.32	38.16	47.17	42.84	34.91	7.09	1,250,724	705
IL Assessment Area	3.61	11.91	14.32	38.16	47.17	42.84	34.91	7.09	1,250,724	705

EXHIBIT 6C (California)

Tracts CALIFORNIA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	# Owner- Occupied Units	# of Loans
LOS ANGELES	2.34	0.00	14.25	23.08	34.73	23.08	48.68	53.85	1,440,864	13
PMSA 4480 Total	2.34	0.00	14.25	23.08	34.73	23.08	48.68	53.85	1,440,864	13
ORANGE	0.77	0.00	17.19	0.00	45.08	42.86	36.96	57.14	496,824	7
PMSA 5945 Total	0.77	0.00	17.19	0.00	45.08	42.86	36.96	57.14	496,824	7
SAN BERNARDINO	0.00	0.00	2.42	100.00	35.84	0.00	61.74	0.00	93,600	1
PMSA 6780 Total	0.00	0.00	2.42	100.00	35.84	0.00	61.74	0.00	93,600	1
CA 4472 Total	1.85	0.00	14.43	19.05	37.31	28.57	46.42	52.38	2,031,288	21
CMSA 4472 Total	1.85	0.00	14.43	19.05	37.31	28.57	46.42	52.38	2,031,288	21
SAN DIEGO	3.85	0.00	17.98	0.00	55.44	0.00	22.73	0.00	228,291	0
MSA 7320 Total	3.85	0.00	17.98	0.00	55.44	0.00	22.73	0.00	228,291	0
CA Assessment Area	2.05	0.00	14.79	19.05	39.14	28.57	44.02	52.38	2,259,579	21

EXHIBIT 6D (Florida)

Tracts FLORIDA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	# Owner- Occupied Units	# of Loans
ORANGE	0.96	0.00	12.30	0.00	59.82	77.78	26.92	22.22	151,225	9
OSCEOLA	0.00	0.00	19.06	0.00	63.45	100.00	17.49	0.00	15,767	1
SEMINOLE	1.58	0.00	6.79	0.00	46.32	50.00	45.31	50.00	72,003	2
MSA 5960 Total	1.08	0.00	11.08	0.00	55.99	75.00	31.84	25.00	238,995	12
VOLUSIA	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19,783	6
MSA 2020 Total	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19,783	6
FL Assessment Area	1.00	0.00	10.24	0.00	59.36	83.33	29.41	16.67	258,778	18

EXHIBIT 6E (Texas)

Tracts TEXAS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	% Owner- Occupied Units	% of Loans	# Owner- Occupied Units	# of Loans
HARRIS	5.76	12.50	22.64	60.16	32.26	22.66	39.34	4.69	533,891	256
PMSA 3360 Total	5.76	12.50	22.64	60.16	32.26	22.66	39.34	4.69	533,891	256
CMSA 3362 Total	5.76	12.50	22.64	60.16	32.26	22.66	39.34	4.69	533,891	256
TX Assessment Area	5.76	12.50	22.64	60.16	32.26	22.66	39.34	4.69	533,891	256

EXHIBIT 7A
Distribution of Small Business and Small Farm Loans
Across Census Tract Income Levels

January 1, 1999 - December 31, 1999

TRACTS CMSA 5602 Assessment Area	Low Income		Moderate Income		Middle Income		Upper Income		TOTALS	
	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	# Bus. Estab.	# of Loans
BRONX	32.70	54.93	18.95	12.68	29.52	25.35	18.82	7.04	16,454	71
KINGS	13.98	16.15	27.91	31.54	41.16	37.69	16.95	14.62	46,928	130
NEW YORK	8.68	23.36	15.40	23.36	8.88	7.30	67.04	45.99	106,848	137
QUEENS	1.70	3.23	15.59	17.74	50.13	62.10	32.58	16.94	43,037	124
WESTCHESTER	0.00	0.00	0.00	0.00	45.49	57.69	54.51	42.31	2,328	26
PMSA 5600 Total	10.18	19.67	18.27	21.31	26.11	34.63	45.44	24.39	215,595	488
NY 5602 Total	10.18	19.67	18.27	21.31	26.11	34.63	45.44	24.39	215,595	488
ESSEX	16.57	41.94	19.67	38.71	22.24	16.13	41.52	3.23	23,281	31
UNION	2.40	2.70	18.58	59.46	54.46	29.73	24.56	8.11	16,196	37
PMSA 5640 Total	10.76	20.59	19.22	50.00	35.46	23.53	34.56	5.88	39,477	68
HUDSON	1.79	0.00	17.73	30.56	55.92	58.33	24.57	11.11	15,068	36
PMSA 3640 Total	1.79	0.00	17.73	30.56	55.92	58.33	24.57	11.11	15,068	36
BERGEN	0.02	0.00	13.62	25.00	51.21	56.25	35.15	18.75	37,808	16
PASSAIC	11.07	12.50	19.79	25.00	58.33	54.17	10.81	8.33	15,913	24
PMSA 0875 Total	3.29	7.50	15.45	25.00	53.32	55.00	27.94	12.50	53,721	40
NJ 5602 Total	5.80	11.81	17.14	38.19	47.17	40.97	29.89	9.03	108,266	144
CMSA 5602 Total	8.72	17.88	17.89	25.16	33.15	36.08	40.24	20.89	323,861	632
CMSA Assessment Area	8.72	17.88	17.89	25.16	33.15	36.08	40.24	20.89	323,861	632

EXHIBIT 7B (Illinois)

TRACTS ILLINOIS Assessment Area	Low Income		Moderate Income		Middle Income		Upper Income		TOTALS	
	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	# Bus. Estab.	# of Loans
COOK	8.92	6.36	17.33	39.92	39.79	42.90	33.97	10.83	134,137	739
DU PAGE	0.00	0.00	0.00	0.00	34.66	57.35	65.34	42.65	26,648	68
PMSA 1600 Total	7.44	5.82	14.46	36.56	38.94	44.11	39.17	13.51	160,785	807
CMSA 1602 Total	7.44	5.82	14.46	36.56	38.94	44.11	39.17	13.51	160,785	807
IL Assessment Area	7.44	5.82	14.46	36.56	38.94	44.11	39.17	13.51	160,785	807

EXHIBIT 7C (California)

TRACTS CALIFORNIA Assessment Area	Low Income		Moderate Income		Middle Income		Upper Income		TOTALS	
	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	# Bus. Estab.	# of Loans
LOS ANGELES	9.41	13.61	19.32	38.61	33.35	29.44	37.92	18.33	288,103	360
PMSA 4480 Total	9.41	13.61	19.32	38.61	33.35	29.44	37.92	18.33	288,103	360
ORANGE	8.98	3.51	27.33	29.82	39.61	56.14	24.07	10.53	100,803	57
PMSA 5945 Total	8.98	3.51	27.33	29.82	39.61	56.14	24.07	10.53	100,803	57
SAN BERNARDINO	0.03	0.00	8.91	8.33	50.81	50.00	40.25	41.67	13,281	12
PMSA 6780 Total	0.03	0.00	8.91	8.33	50.81	50.00	40.25	41.67	13,281	12
CA 4472 Total	8.99	11.89	20.98	36.60	35.50	33.57	34.53	17.95	402,187	429
CMSA 4472 Total	8.99	11.89	20.98	36.60	35.50	33.57	34.53	17.95	402,187	429
SAN DIEGO	6.66	12.50	33.24	50.00	47.07	25.00	13.03	12.50	38,943	8
MSA 7320 Total	6.66	12.50	33.24	50.00	47.07	25.00	13.03	12.50	38,943	8
CA Assessment Area	8.79	11.90	22.06	36.84	36.52	33.41	32.63	17.85	441,130	437

EXHIBIT 7D (Florida)

TRACTS FLORIDA Assessment Area	Low Income		Moderate Income		Middle Income		Upper Income		TOTALS	
	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	# Bus. Estab.	# of Loans
ORANGE	4.70	8.91	16.54	17.82	55.17	53.47	23.59	19.80	28,228	101
OSCEOLA	0.00	0.00	35.88	60.00	46.84	30.00	17.28	10.00	2,957	10
SEMINOLE	1.62	3.13	10.10	6.25	46.32	53.13	41.96	37.50	13,236	32
MSA 5960 Total	3.47	6.99	15.91	18.18	51.98	51.75	28.65	23.08	44,421	143
VOLUSIA	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1,270	6
MSA 2020 Total	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1,270	6
FL Assessment Area	3.37	6.71	15.47	17.45	53.31	53.69	27.85	22.15	45,691	149

EXHIBIT 7E (Texas)

TRACTS TEXAS Assessment Area	Low Income		Moderate Income		Middle Income		Upper Income		TOTALS	
	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	% Bus. Estab.	% of Loans	# Bus. Estab.	# of Loans
HARRIS	7.01	7.78	27.53	47.78	29.54	32.22	35.92	12.22	108,028	90
PMSA 3360 Total	7.01	7.78	27.53	47.78	29.54	32.22	35.92	12.22	108,028	90
CMSA 3362 Total	7.01	7.78	27.53	47.78	29.54	32.22	35.92	12.22	108,028	90
TX Assessment Area	7.01	7.78	27.53	47.78	29.54	32.22	35.92	12.22	108,028	90

EXHIBIT 8A
Distribution of Home Purchase Loans Across Borrower Income Levels

January 1, 1999 - December 31, 1999

CMSA 5602 Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
BRONX	38.76	0.00	17.90	25.00	17.87	33.33	25.47	41.67	291,978	36
KINGS	32.39	1.82	17.56	9.09	18.96	50.91	31.09	38.18	563,283	55
NEW YORK	28.80	0.00	13.82	3.66	14.36	10.98	43.02	85.37	305,368	82
QUEENS	18.20	2.25	16.40	17.98	21.68	33.71	43.71	46.07	495,625	89
WESTCHESTER	11.57	0.00	10.54	25.00	16.71	25.00	61.17	50.00	17,184	4
PMSA 5600 Total	28.43	1.13	16.52	12.78	18.71	30.08	36.33	56.02	1,673,438	266
NY 5602 Total	28.43	1.13	16.52	12.78	18.71	30.08	36.33	56.02	1,673,438	266
ESSEX	28.48	6.25	18.72	12.50	20.70	25.00	32.11	56.25	193,081	16
UNION	19.52	0.00	18.96	0.00	24.84	0.00	36.67	100.00	132,406	2
PMSA 5640 Total	24.83	5.56	18.82	11.11	22.39	22.22	33.96	61.11	325,487	18
HUDSON	22.91	5.56	16.23	0.00	21.11	33.33	39.75	61.11	137,646	18
PMSA 3640 Total	22.91	5.56	16.23	0.00	21.11	33.33	39.75	61.11	137,646	18
BERGEN	14.74	0.00	17.06	0.00	23.65	41.18	44.55	58.82	227,019	34
PASSAIC	26.07	0.00	22.58	0.00	23.46	100.00	27.89	0.00	116,155	1
PMSA 0875 Total	18.58	0.00	18.93	0.00	23.59	42.86	38.91	57.14	343,174	35
NJ 5602 Total	21.84	2.82	18.42	2.82	22.68	35.21	37.06	59.15	806,307	71
CMSA 5602 Total	26.29	1.48	17.14	10.68	20.00	31.16	36.57	56.68	2,479,745	337
CMSA Assessment Area	26.29	1.48	17.14	10.68	20.00	31.16	36.57	56.68	2,479,745	337

EXHIBIT 8B (Illinois)

ILLINOIS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
COOK	24.09	23.61	18.53	44.44	23.22	16.67	34.16	15.28	1,256,554	72
DU PAGE	7.22	0.00	12.58	0.00	24.44	40.00	55.77	60.00	210,250	5
PMSA 1600 Total	21.67	22.08	17.68	41.56	23.39	18.18	37.26	18.18	1,466,804	77
CMSA 1602 Total	21.67	22.08	17.68	41.56	23.39	18.18	37.26	18.18	1,466,804	77
IL Assessment Area	21.67	22.08	17.68	41.56	23.39	18.18	37.26	18.18	1,466,804	77

EXHIBIT 8C (California)

CALIFORNIA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
LOS ANGELES	22.82	2.00	16.84	11.00	19.70	30.00	40.63	57.00	2,036,104	100
PMSA 4480 Total	22.82	2.00	16.84	11.00	19.70	30.00	40.63	57.00	2,036,104	100
ORANGE	18.65	13.33	19.00	20.00	23.57	20.00	38.77	46.67	590,490	15
PMSA 5945 Total	18.65	13.33	19.00	20.00	23.57	20.00	38.77	46.67	590,490	15
SAN BERNARDINO	14.08	25.00	13.72	25.00	21.31	0.00	50.89	50.00	112,700	4
PMSA 6780 Total	14.08	25.00	13.72	25.00	21.31	0.00	50.89	50.00	112,700	4
CA 4472 Total	21.56	4.20	17.18	12.61	20.60	27.73	40.65	55.46	2,739,294	119
CMSA 4472 Total	21.56	4.20	17.18	12.61	20.60	27.73	40.65	55.46	2,739,294	119
SAN DIEGO	24.28	0.00	20.82	0.00	22.66	0.00	32.23	100.00	315,410	1
MSA 7320 Total	24.28	0.00	20.82	0.00	22.66	0.00	32.23	100.00	315,410	1
CA Assessment Area	21.84	4.17	17.56	12.50	20.82	27.50	39.78	55.83	3,054,704	120

EXHIBIT 8D (Florida)

FLORIDA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
ORANGE	18.01	17.39	18.94	17.39	23.62	21.74	39.42	43.48	172,598	23
OSCEOLA	19.62	12.50	23.35	37.50	26.99	37.50	30.04	12.50	19,622	16
SEMINOLE	13.14	12.50	14.89	0.00	22.92	25.00	49.06	62.50	78,232	8
MSA 5960 Total	16.72	14.89	18.09	21.28	23.66	27.66	41.53	36.17	270,452	47
VOLUSIA	13.37	50.00	19.58	25.00	27.01	25.00	40.04	0.00	18,525	4
MSA 2020 Total	13.37	50.00	19.58	25.00	27.01	25.00	40.04	0.00	18,525	4
FL Assessment Area	16.51	17.65	18.19	21.57	23.88	27.45	41.43	33.33	288,977	51

EXHIBIT 8E (Texas)

TEXAS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
HARRIS	23.16	24.66	16.83	42.01	20.14	22.49	39.87	10.84	708,831	369
PMSA 3360 Total	23.16	24.66	16.83	42.01	20.14	22.49	39.87	10.84	708,831	369
CMSA 3362 Total	23.16	24.66	16.83	42.01	20.14	22.49	39.87	10.84	708,831	369
TX Assessment Area	23.16	24.66	16.83	42.01	20.14	22.49	39.87	10.84	708,831	369

EXHIBIT 9A Distribution of Refinancings Across Borrower Income Levels

January 1, 1999 - December 31, 1999

CMSA 5602 Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
BRONX	38.76	0.00	17.90	12.50	17.87	25.00	25.47	62.50	291,978	16
KINGS	32.39	1.79	17.56	12.50	18.96	28.57	31.09	57.14	563,283	56
NEW YORK	28.80	0.00	13.82	1.41	14.36	7.04	43.02	91.55	305,368	71
QUEENS	18.20	0.00	16.40	10.20	21.68	26.53	43.71	63.27	495,625	49
WESTCHESTER	11.57	0.00	10.54	0.00	16.71	11.11	61.17	88.89	17,184	9
PMSA 5600 Total	28.43	0.50	16.52	7.46	18.71	19.40	36.33	72.64	1,673,438	201
NY 5602 Total	28.43	0.50	16.52	7.46	18.71	19.40	36.33	72.64	1,673,438	201
ESSEX	28.48	0.00	18.72	3.13	20.70	25.00	32.11	71.88	193,081	32
UNION	19.52	0.00	18.96	25.00	24.84	0.00	36.67	75.00	132,406	12
PMSA 5640 Total	24.83	0.00	18.82	9.09	22.39	18.18	33.96	72.73	325,487	44
HUDSON	22.91	0.00	16.23	6.25	21.11	37.50	39.75	56.25	137,646	16
PMSA 3640 Total	22.91	0.00	16.23	6.25	21.11	37.50	39.75	56.25	137,646	16
BERGEN	14.74	0.00	17.06	6.58	23.65	11.84	44.55	81.58	227,019	76
PASSAIC	26.07	0.00	22.58	5.88	23.46	29.41	27.89	64.71	116,155	17
PMSA 0875 Total	18.58	0.00	18.93	6.45	23.59	15.05	38.91	78.49	343,174	93
NJ 5602 Total	21.84	0.00	18.42	7.19	22.68	18.30	37.06	74.51	806,307	153
CMSA 5602 Total	26.29	0.28	17.14	7.34	20.00	18.93	36.57	73.45	2,479,745	354
CMSA Assessment Area	26.29	0.28	17.14	7.34	20.00	18.93	36.57	73.45	2,479,745	354

EXHIBIT 9B (Illinois)

ILLINOIS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
COOK	24.09	14.67	18.53	45.33	23.22	20.00	34.16	20.00	1,256,554	75
DU PAGE	7.22	50.00	12.58	0.00	24.44	50.00	55.77	0.00	210,250	4
PMSA 1600 Total	21.67	16.46	17.68	43.04	23.39	21.52	37.26	18.99	1,466,804	79
CMSA 1602 Total	21.67	16.46	17.68	43.04	23.39	21.52	37.26	18.99	1,466,804	79
IL Assessment Area	21.67	16.46	17.68	43.04	23.39	21.52	37.26	18.99	1,466,804	79

EXHIBIT 9C (California)

CALIFORNIA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
LOS ANGELES	22.82	3.28	16.84	24.59	19.70	25.14	40.63	46.99	2,036,104	183
PMSA 4480 Total	22.82	3.28	16.84	24.59	19.70	25.14	40.63	46.99	2,036,104	183
ORANGE	18.65	0.00	19.00	4.00	23.57	28.00	38.77	68.00	590,490	25
PMSA 5945 Total	18.65	0.00	19.00	4.00	23.57	28.00	38.77	68.00	590,490	25
SAN BERNARDINO	14.08	0.00	13.72	50.00	21.31	0.00	50.89	50.00	112,700	2
PMSA 6780 Total	14.08	0.00	13.72	50.00	21.31	0.00	50.89	50.00	112,700	2
CA 4472 Total	21.56	2.86	17.18	22.38	20.60	25.24	40.65	49.52	2,739,294	210
CMSA 4472 Total	21.56	2.86	17.18	22.38	20.60	25.24	40.65	49.52	2,739,294	210
SAN DIEGO	24.28	0.00	20.82	0.00	22.66	0.00	32.23	0.00	315,410	0
MSA 7320 Total	24.28	0.00	20.82	0.00	22.66	0.00	32.23	0.00	315,410	0
CA Assessment Area	21.84	2.86	17.56	22.38	20.82	25.24	39.78	49.52	3,054,704	210

EXHIBIT 9D (Florida)

FLORIDA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
ORANGE	18.01	0.00	18.94	18.18	23.62	18.18	39.42	63.64	172,598	11
OSCEOLA	19.62	50.00	23.35	25.00	26.99	25.00	30.04	0.00	19,622	4
SEMINOLE	13.14	50.00	14.89	0.00	22.92	50.00	49.06	0.00	78,232	2
MSA 5960 Total	16.72	17.65	18.09	17.65	23.66	23.53	41.53	41.18	270,452	17
VOLUSIA	13.37	25.00	19.58	50.00	27.01	25.00	40.04	0.00	18,525	4
MSA 2020 Total	13.37	25.00	19.58	50.00	27.01	25.00	40.04	0.00	18,525	4
FL Assessment Area	16.51	19.05	18.19	23.91	23.88	23.81	41.43	33.33	288,977	21

EXHIBIT 9E (Texas)

TEXAS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
HARRIS	23.16	33.33	16.83	25.00	20.14	0.00	39.87	41.67	708,831	12
PMSA 3360 Total	23.16	33.33	16.83	25.00	20.14	0.00	39.87	41.67	708,831	12
CMSA 3362 Total	23.16	33.33	16.83	25.00	20.14	0.00	39.87	41.67	708,831	12
TX Assessment Area	23.16	33.33	16.83	25.00	20.14	0.00	39.87	41.67	708,831	12

EXHIBIT 10A
Distribution of Home Improvement Loans Across Borrower Income Levels
 January 1, 1999 - December 31, 1999

CMSA 5602 Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
	BRONX	38.76	8.00	17.90	12.00	17.87	32.00	25.47	48.00	291,978
KINGS	32.39	3.45	17.56	13.79	18.96	41.38	31.09	41.38	563,283	58
NEW YORK	28.80	0.00	13.82	0.00	14.36	0.00	43.02	100.00	305,368	6
QUEENS	18.20	0.00	16.40	24.14	21.68	31.03	43.71	44.83	495,625	29
WESTCHESTER	11.57	0.00	10.54	0.00	16.71	0.00	61.17	100.00	17,184	1
PMSA 5600 Total	28.43	3.36	16.52	15.13	18.71	34.45	36.33	47.06	1,673,438	119
NY 5602 Total	28.43	3.36	16.52	15.13	18.71	34.45	36.33	47.06	1,673,438	119
ESSEX	28.48	0.00	18.72	12.50	20.70	25.00	32.11	62.50	193,081	8
UNION	19.52	0.00	18.96	60.00	24.84	20.00	36.67	20.00	132,406	5
PMSA 5640 Total	24.83	0.00	18.82	30.77	22.39	23.08	33.96	46.15	325,487	13
HUDSON	22.91	0.00	16.23	37.50	21.11	12.50	39.75	50.00	137,646	8
PMSA 3640 Total	22.91	0.00	16.23	37.50	21.11	12.50	39.75	50.00	137,646	8
BERGEN	14.74	16.67	17.06	0.00	23.65	33.33	44.55	50.00	227,019	6
PASSAIC	26.07	0.00	22.58	66.67	23.46	0.00	27.89	33.33	116,155	3
PMSA 0875 Total	18.58	11.11	18.93	22.22	23.59	22.22	38.91	44.44	343,174	9
NJ 5602 Total	21.84	3.33	18.42	30.00	22.68	20.00	37.06	46.67	806,307	30
CMSA 5602 Total	26.29	3.36	17.14	18.12	20.00	31.54	36.57	46.98	2,479,745	149
CMSA Assessment Area	26.29	3.36	17.14	18.12	20.00	31.54	36.57	46.98	2,479,745	149

EXHIBIT 10B (Illinois)										
ILLINOIS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
	COOK	24.09	16.93	18.53	37.08	23.22	31.82	34.16	14.16	1,256,554
DU PAGE	7.22	0.00	12.58	25.00	24.44	50.00	55.77	25.00	210,250	20
PMSA 1600 Total	21.67	16.45	17.68	36.74	23.39	32.34	37.26	14.47	1,466,804	705
CMSA 1602 Total	21.67	16.45	17.68	36.74	23.39	32.34	37.26	14.47	1,466,804	705
IL Assessment Area	21.67	16.45	17.68	36.74	23.39	32.34	37.26	14.47	1,466,804	705

EXHIBIT 10C (California)										
CALIFORNIA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
	LOS ANGELES	22.82	0.00	16.84	23.08	19.70	23.08	40.63	53.85	2,036,104
PMSA 4480 Total	22.82	0.00	16.84	23.08	19.70	23.08	40.63	53.85	2,036,104	13
ORANGE	18.65	0.00	19.00	0.00	23.57	14.29	38.77	85.71	590,490	7
PMSA 5945 Total	18.65	0.00	19.00	0.00	23.57	14.29	38.77	85.71	590,490	7
SAN BERNARDINO	14.08	0.00	13.72	100.00	21.31	0.00	50.89	0.00	112,700	1
PMSA 6780 Total	14.08	0.00	13.72	100.00	21.31	0.00	50.89	0.00	112,700	1
CA 4472 Total	21.56	0.00	17.18	19.05	20.60	19.05	40.65	61.90	2,739,294	21
CMSA 4472 Total	21.56	0.00	17.18	19.05	20.60	19.05	40.65	61.90	2,739,294	21
SAN DIEGO	24.28	0.00	20.82	0.00	22.66	0.00	32.23	0.00	315,410	0
MSA 7320 Total	24.28	0.00	20.82	0.00	22.66	0.00	32.23	0.00	315,410	0
CA Assessment Area	21.84	0.00	17.56	19.05	20.82	19.05	39.78	61.90	3,054,704	21

EXHIBIT 10D (Florida)										
FLORIDA Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
	ORANGE	18.01	85.71	18.94	0.00	23.62	0.00	39.42	14.29	172,598
OSCEOLA	19.62	0.00	23.35	0.00	26.99	0.00	30.04	0.00	19,622	0
SEMINOLE	13.14	0.00	14.89	50.00	22.92	0.00	49.06	50.00	78,232	2
MSA 5960 Total	16.72	66.67	18.09	11.11	23.66	0.00	41.53	22.22	270,452	9
VOLUSIA	13.37	16.67	19.58	66.67	27.01	16.67	40.04	0.00	18,525	6
MSA 2020 Total	13.37	16.67	19.58	66.67	27.01	16.67	40.04	0.00	18,525	6
FL Assessment Area	16.51	46.67	18.19	33.33	23.88	6.67	41.43	13.33	288,977	15

EXHIBIT 10E (Texas)										
TEXAS Assessment Area	Low-income		Moderate-income		Middle-income		Upper-income		TOTALS	
	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	% of Families	% of Loans	# of Families	# of Loans
	HARRIS	23.16	34.38	16.83	32.81	20.14	25.39	39.87	7.42	708,831
PMSA 3360 Total	23.16	34.38	16.83	32.81	20.14	25.39	39.87	7.42	708,831	256
CMSA 3362 Total	23.16	34.38	16.83	32.81	20.14	25.39	39.87	7.42	708,831	256
TX Assessment Area	23.16	34.38	16.83	32.81	20.14	25.39	39.87	7.42	708,831	256

EXHIBIT 11A

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

January 1, 1999 - December 31, 1999

CMSA 5602 Assessment Area	Small Business and Small Farm Loans			TOTALS			
	<=\$100,000	> \$100,000 <=\$250,000	> \$250,000 <=\$1 Mil	Total # of Loans	% Loans to Bus. w/GAR <=\$1 Mil	# of Business Estab.	% of Bus. w/ GAR <=\$1 Mil
	% of Bank Loans	% of Bank Loans	% of Bank Loans				
BRONX	74.65	14.08	11.27	71	42.25	16,454	89.12
KINGS	59.23	18.46	22.31	130	41.54	46,928	88.53
NEW YORK	48.18	25.55	26.28	137	49.64	106,848	77.69
QUEENS	68.55	17.74	13.71	124	69.35	43,037	87.43
WESTCHESTER	76.92	11.54	11.54	26	30.77	2,328	87.50
PMSA 5600 Total	61.68	19.26	19.06	488	50.41	215,595	82.97
NY 5602 Total	61.68	19.26	19.06	488	50.41	215,595	82.97
ESSEX	32.26	38.71	29.03	31	61.29	23,281	85.71
UNION	51.35	29.73	18.92	37	56.76	16,196	84.51
PMSA 5640 Total	42.65	33.82	23.53	68	58.82	39,477	85.22
HUDSON	44.44	25.00	30.56	36	44.44	15,068	85.31
PMSA 3640 Total	44.44	25.00	30.56	36	44.44	15,068	85.31
BERGEN	31.25	6.25	62.50	16	56.25	37,808	83.76
PASSAIC	54.17	12.50	33.33	24	58.33	15,913	86.77
PMSA 0875 Total	45.00	10.00	45.00	40	57.50	53,721	84.65
NJ 5602 Total	43.75	25.00	31.25	144	54.86	108,266	84.95
CMSA 5602 Total	57.59	20.57	21.84	632	51.42	323,861	83.63
CMSA Assessment Area	57.59	20.57	21.84	632	51.42	323,861	83.63

EXHIBIT 11B (Illinois)

ILLINOIS Assessment Area	Small Business and Small Farm Loans			TOTALS			
	<=\$100,000	> \$100,000 <=\$250,000	> \$250,000 <=\$1 Mil	Total # of Loans	% Loans to Bus. w/GAR <=\$1 Mil	# of Business Estab.	% of Bus. w/ GAR <=\$1 Mil
	% of Bank Loans	% of Bank Loans	% of Bank Loans				
COOK	74.83	13.94	11.23	739	73.07	134,137	84.45
DU PAGE	67.65	19.12	13.24	68	42.65	26,648	81.00
PMSA 1600 Total	74.23	14.37	11.40	807	70.51	160,785	83.88
CMSA 1602 Total	74.23	14.37	11.40	807	70.51	160,785	83.88
IL Assessment Area	74.23	14.37	11.40	807	70.51	160,785	83.88

EXHIBIT 11C (California)

CALIFORNIA Assessment Area	Small Business and Small Farm Loans			TOTALS			
	<=\$100,000	> \$100,000 <=\$250,000	> \$250,000 <=\$1 Mil	Total # of Loans	% Loans to Bus. w/GAR <=\$1 Mil	# of Business Estab.	% of Bus. w/ GAR <=\$1 Mil
	% of Bank Loans	% of Bank Loans	% of Bank Loans				
LOS ANGELES	70.56	15.56	13.89	360	33.33	288,103	86.13
PMSA 4480 Total	70.56	15.56	13.89	360	33.33	288,103	86.13
ORANGE	71.93	10.53	17.54	57	29.82	100,803	85.38
PMSA 5945 Total	71.93	10.53	17.54	57	29.82	100,803	85.38
SAN BERNARDINO	75.00	8.33	16.67	12	25.00	13,281	84.63
PMSA 6780 Total	75.00	8.33	16.67	12	25.00	13,281	84.63
CA 4472 Total	70.86	14.69	14.45	429	32.63	402,187	85.89
CMSA 4472 Total	70.86	14.69	14.45	429	32.63	402,187	85.89
SAN DIEGO	50.00	0.00	50.00	8	0.00	38,943	88.26
MSA 7320 Total	50.00	0.00	50.00	8	0.00	38,943	88.26
CA Assessment Area	70.48	14.42	15.10	437	32.04	441,130	86.10

EXHIBIT 11D (Florida)

FLORIDA Assessment Area	Small Business and Small Farm Loans			TOTALS			
	<=\$100,000	> \$100,000 <=\$250,000	> \$250,000 <=\$1 Mil	Total # of Loans	% Loans to Bus. w/GAR <=\$1 Mil	# of Business Estab.	% of Bus. w/ GAR <=\$1 Mil
	% Bank Loans	% Bank Loans	% Bank Loans				
ORANGE	81.19	10.89	7.92	101	56.44	28,228	87.20
OSCEOLA	90.00	10.00	0.00	10	30.00	2,957	93.61
SEMINOLE	71.88	12.50	15.63	32	46.88	13,236	89.66
MSA 5960 Total	79.72	11.19	9.09	143	52.45	44,421	88.36
VOLUSIA	100.00	0.00	0.00	6	16.67	1,270	96.54
MSA 2020 Total	100.00	0.00	0.00	6	16.67	1,270	96.54
FL Assessment Area	80.54	10.74	8.72	149	51.01	45,691	88.58

EXHIBIT 11E (Texas)

TEXAS Assessment Area	Small Business and Small Farm Loans			TOTALS			
	<=\$100,000	> \$100,000 <=\$250,000	> \$250,000 <=\$1 Mil	Total # of Loans	% Loans to Bus. w/GAR <=\$1 Mil	# of Business Estab.	% of Bus. w/ GAR <=\$1 Mil
	% Bank Loans	% Bank Loans	% Bank Loans				
HARRIS	84.44	11.11	4.44	90	75.56	108,028	86.67
PMSA 3360 Total	84.44	11.11	4.44	90	75.56	108,028	86.67
CMSA 3362 Total	84.44	11.11	4.44	90	75.56	108,028	86.67
TX Assessment Area	84.44	11.11	4.44	90	75.56	108,028	86.67

EXHIBIT 12

Summary of Community Development Lending

BPNA Assessment Areas	Commitment ('000s)	%	Outstanding ('000s)	%	New Money ('000s)	%	Housing Units
New York State	\$65,085	68%	\$60,022	80%	\$61,111	67%	2,415
New Jersey	\$1,300	1%	\$1,018	1%	\$1,300	1%	34
New York & New Jersey Total	\$66,385	69%	\$61,040	82%	\$62,411	68%	2,449
Illinois	\$11,492	12%	\$9,192	12%	\$11,492	13%	374
California	\$16,447	17%	\$4,181	6%	\$16,447	18%	166
Florida	\$1,315	1%	\$392	1%	\$1,315	1%	1,625
Texas	\$49	0%	\$43	0%	\$49	0%	0
TOTALS	\$95,688	100%	\$74,848	100%	\$91,714	100%	4,614
Direct Activity	\$95,688	100%	\$74,848	100%	\$91,714	100%	4,614
Indirect Activity	\$0	0%	\$0	0%	\$0	0%	0
TOTAL ACTIVITY	\$95,688	100%	\$74,848	100%	\$91,714	100%	4,614
Affordable Housing	\$68,257	71%	\$60,839	81%	\$68,257	74%	4,614
Community Service	\$13,215	14%	\$8,354	11%	\$9,261	10%	0
Economic Development	\$11,297	12%	\$3,834	5%	\$11,297	12%	0
Revitalization & Stabilization	\$2,919	3%	\$1,821	2%	\$2,899	3%	0

EXHIBIT 13

Summary of Qualified Investment Activity

BPNA Assessment Areas	Commitment ('000s)	%	Outstanding ('000s)	%	New Money ('000s)	%	Housing Units
New York State	\$11,778	66%	\$11,778	66%	\$170	4%	3,529
New Jersey	\$739	4%	\$739	4%	\$739	16%	6
New York & New Jersey Total	\$12,517	70%	\$12,517	70%	\$909	20%	3,535
Illinois	\$2,400	13%	\$2,400	13%	\$565	13%	250
California	\$1,373	8%	\$1,373	8%	\$1,373	31%	9
Texas	\$766	4%	\$766	4%	\$766	17%	14
Florida	\$831	5%	\$831	5%	\$831	19%	11
TOTALS	\$17,887	100%	\$17,887	100%	\$4,444	100%	3,819
Direct Activity	\$17,887	100%	\$17,887	100%	\$4,444	100%	3,819
Indirect Activity	\$0	0%	\$0	0%	\$0	0%	0
TOTAL ACTIVITY	\$17,887	100%	\$17,887	100%	\$4,444	100%	3,819
Affordable Housing	\$17,058	95%	\$17,058	95%	\$3,715	84%	3,819
Community Service	\$255	2%	\$255	2%	\$155	3%	0
Economic Development	\$574	3%	\$574	3%	\$574	13%	0

EXHIBIT 14

Summary of Branch Locations

As of December 31, 1999

Location	# of Branches	# of LMI Branches	% of LMI Branches
CMSA 5602 ASSESSMENT AREA			
PMSA 5600 (New York, NY)	32	18	56
New York Subtotal	32	18	56
PMSA 0875 (Bergen-Passaic, NJ)	2	2	100
PMSA 3640 (Jersey City, NJ)	3	0	0
PMSA 5640 (Newark, NJ)	5	4	80
New Jersey Subtotal	10	6	60
CMSA 5602 TOTALS	42	24	57
ILLINOIS ASSESSMENT AREA			
PMSA 1600 (Chicago, IL)	19	9	47
ILLINOIS TOTALS	19	9	47
CALIFORNIA ASSESSMENT AREAS			
CMSA 4472			
PMSA 4480 (Los Angeles-Long Beach, CA)	12	6	50
PMSA 5945 (Orange County, CA)	3	2	67
PMSA 6780 (Riverside-San Bernardino, CA)	1	1	100
CMSA 4472 Subtotal	16	9	56
PMSA 7320 (San Diego, CA)	1	1	100
CALIFORNIA TOTALS	17	10	59
FLORIDA ASSESSMENT AREAS			
PMSA 5960 (Orlando, FL)	7	2	29
PMSA 2020 (Daytona Beach, FL)	1	0	0
FLORIDA TOTALS	8	2	25
TEXAS ASSESSMENT AREAS			
PMSA 3360 (Houston, TX)	5	4	80
TEXAS TOTALS	5	4	80
TOTALS (All BPNA Assessment Areas)	91	49	54

EXHIBIT 15

Summary of Assessment Area Data

	NY/NJ	Illinois	California	Florida	Texas*	TOTALS
Total population	10,114,467	5,886,733	13,079,460	1,098,448	2,818,199	32,997,307
Population % of AA population	31%	18%	40%	3%	9%	100%
Families	2,479,745	1,466,804	3,054,704	288,977	708,831	7,999,061
Families in LMI Tracts	888,039	442,748	926,757	39,772	248,047	2,545,363
LMI families % of AA LMI families	35%	17%	36%	2%	10%	100%
LMI families % of MSA families	36%	30%	30%	14%	35%	32%
Total census tracts	2,921	1,468	2,442	195	582	7,608
Tracts % AA tracts	38%	19%	32%	3%	8%	100%
LMI tracts	1,104	635	788	46	266	2,839
LMI tracts % all AA LMI tracts	39%	22%	28%	2%	9%	100%
LMI tracts % all MSA tracts	38%	43%	32%	24%	46%	37%
Total owner-occupied units	1,341,978	1,250,724	2,259,579	258,778	533,891	5,644,950
Units % of AA units	24%	22%	40%	5%	9%	100%
LMI owner occupied units	193,856	224,146	380,379	29,078	151,655	979,114
LMI units % AA LMI units	20%	23%	39%	3%	15%	100%
LMI units % MSA units	14%	18%	17%	11%	28%	17%
Business establishments	323,861	160,785	441,130	45,691	108,028	1,079,495
Bus. est. % AA bus. est.	30%	15%	41%	4%	10%	100%
LMI bus. establishments	86,176	35,209	136,094	8,608	37,307	303,394
LMI bus. est. % AA LMI bus. est.	28%	12%	45%	3%	12%	100%
LMI bus. est. % MSA bus. est.	27%	22%	31%	19%	35%	28%
Number of branches	42	19	17	8	5	91
Branches % all branches	46%	21%	19%	9%	5%	100%
Branches in LMI tracts	24	9	10	2	4	49
LMI branches % AA LMI branches	49%	18%	20%	4%	8%	100%
LMI branches % PMSA branches	57%	47%	59%	25%	80%	54%
Branch deposits (\$'000s)**	1,928,883	945,472	312,599	114,059	74,001	3,375,014
Deposits % AA deposits	57%	28%	9%	3%	2%	100%
Home purchase originations	344	100	134	89	396	1,063
HP originations % AA orig.	32%	9%	13%	8%	37%	100%
HP orig. in LMI tracts	53	42	29	4	157	285
LMI HP orig. % all LMI AA orig.	19%	15%	10%	1%	55%	100%
LMI HP orig. % all MSA orig.	15%	42%	22%	4%	40%	27%
Refinance originations	360	101	223	31	13	728
Refi orig. % AA orig.	49%	14%	31%	4%	2%	100%
Refi orig. in LMI tracts	40	47	72	2	5	166
LMI refi orig. % all AA LMI orig.	24%	28%	43%	1%	3%	100%
LMI refi orig. % all MSA orig.	11%	47%	32%	6%	38%	23%
Small business originations	632	807	437	149	90	2,115
SB orig. % AA orig.	30%	38%	21%	7%	4%	100%
SB orig. in LMI tracts	272	342	213	36	50	913
LMI SB orig. % all AA LMI orig.	30%	37%	23%	4%	5%	100%
LMI SB orig. % all MSA orig.	43%	42%	49%	24%	56%	43%
Home improvement originations	153	705	21	18	256	1,153
HI orig. % AA orig.	13%	61%	2%	2%	22%	100%
HI orig. in LMI tracts	43	353	4	0	186	586
LMI HI orig. % all AA LMI orig.	7%	60%	1%	0%	32%	100%
LMI HI orig. % all MSA orig.	28%	50%	19%	0%	73%	51%

** Deposits are as of June 30, 1999

* In 1999 Texas was part of BP North America

CRA APPENDIX A
SCOPE OF EXAMINATION

BANCO POPULAR NORTH AMERICA		
TIME PERIOD REVIEWED	1/1/99 to 12/31/99	
FINANCIAL INSTITUTION: Banco Popular North America New York, NY		PRODUCTS REVIEWED: <ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement • Small business • Multifamily • Community development
AFFILIATE(S): Banco Popular, NA, Texas	AFFILIATE RELATIONSHIP: Holding company subsidiary	PRODUCTS REVIEWED: <ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement • Small business
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION		
ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED
CMSA 5602	On-site	New York/ New Jersey main office
State of Illinois PMSA 1600 (Chicago, IL)	On-site	<ul style="list-style-type: none"> • 2525 North Kedzie Blvd. • 2720 West Division St. • 4000 West North Ave. • 4801 West Fullerton Ave.
State of California CMSA 4472 MSA 7320 (San Diego, CA)	On-site Off-site	<ul style="list-style-type: none"> • Anaheim • Chula Vista • Commerce • Downey • El Monte • Huntington Park • Montebello • Paramount Boulevard • Santa Fe Springs
State of Florida MSA 5960 (Orlando, FL) MSA 2020 (Daytona Beach, FL)	Off-site Off-site	
State of Texas PMSA 3360 (Houston, TX)	On-site	<ul style="list-style-type: none"> • 9600 Long Point Rd. • 7811 Long Point Rd. • 1615 Little York Rd.

CRA APPENDIX B
SUMMARY OF RATINGS

BANCO POPULAR NORTH AMERICA				
	Lending Test	Investment Test	Service Test	Overall Rating
CMSA 5602	High Satisfactory	Outstanding	Outstanding	Outstanding
Illinois	High Satisfactory	Outstanding	Outstanding	Outstanding
California	High Satisfactory	Outstanding	Outstanding	Outstanding
Florida	High Satisfactory	Outstanding	Outstanding	Outstanding
Texas	Low Satisfactory	Outstanding	Outstanding	Satisfactory

CRA APPENDIX C

GLOSSARY

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

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

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full review: Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower

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

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include information such as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

LTV: Loan-to-value ratio is the relationship, expressed as a percent, between the principal amount of a loan and the appraised value of the asset securing the financing. In a residential mortgage loan, this is the percentage value of the property the lender is willing to finance with a mortgage (Dictionary of Banking Terms, 3rd Edition, by Thomas Fitch).

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

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

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

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

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.

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

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

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

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

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

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.

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