



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

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Community Reinvestment Act Performance Evaluation

Citibank, N.A.
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NOTE: This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **Citibank, N.A.** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **October 16, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate - Any company that controls, is controlled by, or is under common control 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.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

Community Development (CD) - 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.

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

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood 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 United States Bureau of the Census in the most recent decennial census.

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

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope 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).

Low-Income - Income levels that are less than 50% of the median family income.

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

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Loans to Businesses - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Loans to Farms - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

Institution's CRA Rating: This institution is rated "**Satisfactory**."

Since the last CRA performance evaluation, the bank developed a comprehensive plan to enhance its overall CRA performance. Among the objectives were to increase lending in LMI geographies and to LMI borrowers, to increase already significant levels of CD lending and investments, and to formalize the array of educational services to promote financial literacy for community-based organizations and individuals. Significant progress has been made in achieving these goals with improvements noted in lending performance and market penetration. The following table indicates the performance level of **Citibank, N.A.** with respect to the Lending, Investment, and Service Tests:

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

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The home mortgage markets are well served in all AAs. Citibank's home mortgage distribution among low- and moderate-income borrowers is good considering the high housing costs, low levels of income, and the limited opportunities for home ownership in the bank's major markets. Geographic distribution of home mortgage loans is also good, as it is similar to the pattern of owner occupied housing in LMI census tracts. Over 97 percent of mortgage and small loans to businesses, and all CD loans were within the AAs.
- The level of CD lending is excellent in the two largest AAs, New York and San Juan, and directly supports critical community credit needs. The volume of CD lending in the New York AA represents 7.5 percent of the portion of the bank's Tier I capital allocated to the New York AA, and 49 percent of the portion allocated to the San Juan AA. These loans are used to overcome barriers to affordable housing for low- and moderate-income (LMI) families, and to promote

economic development and community revitalization.

- The overall level of lending is excellent. Specifically, lending activity is excellent in New York and Guam, good in Puerto Rico, and adequate in the Virgin Islands. The bank and its affiliates made 75,300 loans totaling over \$5.1 billion in the AAs.
- The level of investments is excellent in the New York AA and a significant portion of the bank's investments are allocated to developing affordable housing. Investment opportunities in New York are ample and local banks actively pursue opportunities to originate CD investments. Citibank's investment total is the second highest in the AA, and very significant in proportion to its domestic assets and deposits. The level of investments in Puerto Rico is also excellent.
- The overall level of CD services is excellent. Specifically, CD services are excellent in New York and Puerto Rico, and good in Guam and the Virgin Islands. These services are responsive to the needs of each AA, especially by focusing on education and increasing access to bank services. Fostering financial literacy is an integral part of the bank's efforts to enhance CD projects when it funds economic development and affordable housing projects.
- The bank's branch delivery systems are accessible to geographies and individuals of different income levels in its AAs.

Description of Institution

Citibank, N.A. (Citibank), a global bank headquartered in New York City with assets of \$356 billion, is the third largest bank in the United States. However, the bank we evaluated for CRA purposes is akin to a large regional bank that consists of \$49 billion in assets and \$44 billion in deposits. As noted below, a substantial majority of the bank's loans and deposits are offshore, and as such were not significant in the evaluation of the bank's domestic CRA performance. Domestically the bank has interstate retail operations with 166 branches in New York State, the Commonwealth of Puerto Rico, the Territory of the Virgin Islands, and the Territory of Guam. The major markets are the New York City metropolitan area (within New York State) and San Juan, Puerto Rico. It offers conventional home mortgage loans, home improvement loans, community development loans, and a full range of business and consumer loans. As part of a strategic business decision, the bank sold its automobile consumer lending business since the last evaluation.

Several affiliate activities were considered in our evaluation of Citibank's CRA performance. Its wholly owned subsidiary, CitiMortgage, originated HMDA reportable loans in the bank's assessment areas, as well as nationwide. As of June 30, 2000 CitiMortgage had assets of \$6.9 billion and six months earnings of \$24.6 million. This subsidiary is the vehicle for originating HMDA reportable loans for Citibank. In the United States, CitiMortgage currently has a servicing portfolio of \$60 billion and is a nationwide originator of mortgages through retail, wholesale, telemarketing sales and corporate loan channels. During this evaluation period CitiMortgage acquired Source One Mortgage Company (SOM). Among other types of mortgages, SOM originates Federal Housing Administration (FHA) and Veterans Administration (VA) loans, which are types of loans not previously offered by the bank. Neighborhood housing groups have encouraged local banks to offer FHA and VA loans, and they are factored into our evaluation. Several affiliates of the holding company, Citibank-FSB, Citibank-New York State, Citibank-South Dakota, N.A., Universal Bank, N.A., and CitiFinancial, made HMDA reportable and/or small loans to businesses that are claimed solely by Citibank for evaluating its CRA record. See Appendix A for more detailed information.

Except as noted below in the Service Test comment for Guam, there are no legal, financial, or other factors impeding Citibank's ability to help meet the credit needs of the communities it serves.

Citibank was rated "Satisfactory" at its last CRA evaluation dated October 26, 1998.

Citibank is a subsidiary of Citicorp, which is a subsidiary of Citigroup. Citigroup is the largest financial services company in the U.S. with assets of \$805 billion. It

has three major lines of business: consumer financial services, including insurance; corporate and investment banking services; and, investment management and private banking services. Citigroup's primary business focus is providing global financial services to businesses, individuals, and governments. The holding company's Global Consumer Bank Division provides retail-banking services in many parts of the world. Various Citigroup subsidiaries and affiliates, as indicated in Appendix A, provide loans and other products for Citigroup's banking customers.

Citibank represents a significant portion of Citigroup's business. It is a global bank offering various loan and deposit products to domestic and foreign customers. As of June 30, 2000, net loans represent 66 percent of total assets. Foreign loans and financial institution loans represent 78 percent of total loans. Of the remaining 22% (\$53 billion), \$49 billion is domestic loans. This consists of residential real estate loans (22 percent), commercial loans (32 percent), consumer loans (14 percent), and credit cards (32 percent). The bank has \$260 billion in deposits, of which 81 percent are held in foreign offices.

The format for this evaluation discusses separately the bank's CRA performance in lending, investments, and services. Citibank's strategic approach to community development combines grants, investments, loans, and services, to support community projects in LMI neighborhoods. Therefore, loans, investments, grants, and educational services may be used for a single project. For example, a micro loan program may include two or more CD loans, grants from the Citigroup Foundation, and technical support from the bank. As a result new businesses and jobs are created, and the new services are provided to LMI neighborhoods. These CD activities are discussed in different sections of this evaluation.

As of June 30, 2000, Citibank reported Tier 1 capital of \$22.3 billion. We have allocated capital to the domestic operations of the bank based on domestic deposits as a proportion of foreign deposits. Domestic deposits are 16.5 percent of total deposits; thus, the resulting allocated Tier 1 capital is \$3.7 billion.

Scope of Evaluation

Evaluation Period/Products Evaluated

With the exception of CD loans, the evaluation period for the Lending Test is October 1, 1998 through June 30, 2000 for New York and Guam. For Puerto Rico and the Virgin Islands, the evaluation period is July 1, 1998 through June 30, 2000; the prior evaluation period in Puerto Rico and Virgin Islands ended June 30, 1998. For CD loans, the Investment Test and the Service Test, the evaluation period is October 27, 1998 through October 16, 2000.

For the Lending Test, Citibank and its affiliates' origination/purchase of home mortgage loans, small loans to businesses, and CD loans were evaluated. The bank made no small loans to farms. Refer to Appendix A for details.

In the evaluation of Citibank's performance under the Lending Test, SOM activities were considered from January 1, 1999. SOM was acquired on May 1, 1999 and a consolidated HMDA-LAR was filed for the year 1999.

Data Integrity

Prior to this evaluation we conducted a number of activities to ensure the integrity of the data we were to evaluate. We reviewed internal audit reports relative to CRA and data reporting, and the accuracy of data reported on the HMDA-Loan Application Register (LAR) and the CRA Loan Register for small loans to businesses. No significant errors were found in the reported home mortgage data or the small loans to businesses data. There was a minor problem with census tract information in the Virgin Islands, but this was corrected. We also reviewed investments and CD loans originated during the evaluation period to determine if they qualified for CRA consideration. Some items submitted by the bank for consideration were excluded because they did not meet the definition or purpose of CD. CD services were reviewed for CRA qualification during the evaluation.

Selection of Areas for Full-Scope Review

In each state, commonwealth, and territory where the bank has an office, a sample of assessment areas (AAs) were selected for full-scope reviews. Refer to the "Scope" section under each State/Commonwealth/Territory Rating for details regarding how the areas were selected and why they are representative.

Ratings

The bank's overall rating is a blend of the state, commonwealth and territory ratings. Because of the concentration of population, bank deposits, and loans in New York State, this state rating is weighted more heavily in the overall conclusions. The bank also has significant deposits in Puerto Rico, although compared to New York State it is less significant. Deposit totals in the Virgin Islands and Guam are not significant when compared to the bank's total deposits.

The state, commonwealth and territory ratings are based primarily on those AAs that received full-scope reviews. Refer to the "Scope" section under each State/Commonwealth/Territory Rating for details regarding how the areas were weighted in arriving at the overall state, commonwealth or territory rating.

The combination of the high cost of housing and low number of owner-occupied housing units in New York, and the disparity between housing costs and median incomes in Puerto Rico, creates a substantial need for affordable housing. Citibank has chosen to meet this community need by focusing on community development lending and investments.

Fair Lending Review

Citibank's fair lending program encompasses all lending areas of the bank, and provides for comprehensive training and controls. We conducted a fair lending examination in 1998 of home purchase mortgage loans originated by CitiMortgage. The analysis consisted of comparing denied Black and Hispanic applicants to approved white applicants. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Subsequently, in 1999, another banking regulatory agency conducted a fair lending examination using a similar sample of home purchase loan applications originated in a thrift institution that is an affiliate of the bank. Loan applications from the bank and the thrift operate on a common platform and the credit decision process is the same, regardless of where the applications are sourced. We reviewed the work papers and affirmed the conclusion of that examination that no evidence of illegal discrimination was identified.

State Rating

CRA Rating for New York:	<u>Satisfactory</u>
The Lending Test is rated:	<u>High Satisfactory</u>
The Investment Test is rated:	<u>Outstanding</u>
The Service Test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- Citibank's level of community development lending in the New York AA is excellent. The volume represents 7.5 percent of the bank's allocated capital, and the largest portion was loaned in New York City. CD lending promotes economic development, community revitalization, and supports affordable housing for LMI families. Many of the loans are tailored for micro loan programs, which are difficult to structure.
- The distribution of home mortgage loans among geographies and individuals of different income levels is good.
- Citibank's innovative and flexible mortgage lending products positively impact the distribution of loans to LMI families.
- The bank's level of investments is excellent and a significant portion of the funds was used for affordable housing endeavors. Citibank had the second largest volume of investments and relative to its domestic asset and deposit base, it is a very significant amount.
- The distribution of Citibank's branches provides good access to individuals of different income levels. Alternative delivery systems (except direct deposits) are used in LMI geographies and by LMI individuals at rates similar to all customers. CD services are responsive to the needs of its AAs, especially with the focus on education programs for community-based organizations and increasing access to bank services.

Description of Institution's Operations in New York

As discussed previously, Citibank is a global bank. In New York its retail operation is similar to a large regional bank, providing various loan and deposit products in the New York City metropolitan area. The primary focus for the retail bank is on both conventional and FHA and VA home mortgage loans, home improvement loans, refinancing loans, and a full range of small business and corporate loans. The bank has 151 branches and 1,037 ATMs in the state, all within the New York assessment areas.

As part of its lending focus, Citibank has attempted to return to the home purchase mortgage market, from which it had withdrawn in the early 1990's because of credit losses incurred from this product. Competitive factors made it difficult to reenter the home purchase market in recent years. One opportunity was afforded with the purchase of SOM, which provides CitiMortgage with the infrastructure to originate FHA and VA loans, and local community housing organizations expressed the need for these types of loans.

Also, the bank devised a marketing strategy to more firmly establish itself in the home purchase market by introducing unsecured pre-approved home improvement loans. This program commenced in 1998 and was intended to indicate to the market that Citibank was again interested in mortgage lending, especially to the LMI markets. This program proved very popular with customers. Favorable terms include a low interest rate and no closing costs. Marketing of the product peaked in 1999, and began winding down during 2000. Home improvement loan customers began to use the bank for home purchase loans. During 1999 and 2000 the bank's home purchase lending increased significantly in these target markets.

Citibank is the second largest bank in New York State and New York City metropolitan area, with \$41 billion in domestic retail deposits. There are two AAs: the New York MSA (with the exception of Putnam County) and the Nassau-Suffolk MSA. The bulk of the deposits (\$38 billion) are in the New York AA. The primary local competitor in the New York AA is Chase Manhattan Bank, which dominates the retail market with a 33 percent market share of deposits. It has \$98 billion in retail deposits and 1,000 branches or ATMs. Other competitors are Bank of New York, with \$19 billion in deposits; HSBC, with \$20 billion; and, Fleet Bank, N.A., with \$11 billion.

The New York AA is one of the highest cost of living areas in the United States. Despite the extended period of economic prosperity, income disparity has been increasing over time. The most significant demographic change in the AA is the influx of 800,000 immigrants into New York City, which remains the leading destination for immigrants coming to the United States. Two-thirds of recent immigrants have settled in Brooklyn and Queens.

Other performance context information is that 38 percent of the low income families in the New York MSA live in middle and upper income census tracts, and 56 percent of the moderate income families live in middle and upper income census tracts. Also, as indicated in Appendix C, the incidence of owner-occupied housing in LMI census tracts is relatively low.

LMI families have limited opportunities for home ownership because of the low number of owner-occupied housing units in New York City. This creates a demand

for home ownership that escalates the price of housing. The owner-occupied units available for resale are relatively expensive, and beyond the means of LMI families. This limits the ability of these families to create net worth through home ownership. Alternatively, Citibank is trying to help by making loans to expand small businesses to create additional wealth, or by encouraging a savings program that creates the opportunity for future investment. This creates a need for quality financial literacy programs that focus on savings and building wealth. The bank is providing education and support to LMI families (or the non-profit organizations that serve them and their neighborhoods) to help them gain economic self-sufficiency.

Refer to the Market Profiles for New York State in Appendix C for detailed demographics and other performance context information for the New York AA, which received a full-scope review.

Scope of Evaluation in New York

Citibank has two Assessment Areas (AAs) in New York: the MSAs of New York and Nassau-Suffolk. The New York AA was selected for a full-scope review, and the ratings for New York State are based primarily on the evaluation of that assessment area. The Nassau-Suffolk AA received a limited-scope review. The New York AA is Citibank's major retail market and accounts for approximately 93 percent of the bank's deposits and 80 percent of the lending activity in New York State.

Refer to the table in Appendix A for more information concerning the scope of the evaluation.

We met with four community groups as part of this evaluation. All were housing related entities, and two were also involved in economic development. These groups emphasized the need for affordable housing in their areas, as well as economic revitalization of neighborhoods. One group also noted that banks need to monitor the condition of mortgaged multifamily housing to ensure that landlords keep the buildings habitable. In addition to affordable housing and economic development, other identified community needs are community development loans, small business start-up financing and working capital loans, credit counseling, health care, and social and financial services. These are consistent with the community needs identified by the bank, and with the U.S. Department of Housing and Urban Development New York City Consolidated Plan.

In addition to direct community contacts, the OCC received more than 150 letters from individuals and community-based organizations commenting on the acquisition of Associates First Capital Corp. by Citigroup. As part of the transaction Citigroup acquired Associates National Bank pursuant to a Notice of Change in Bank Control. In its decision not to disapprove the change of control the OCC stated that it

intends to consider the submitted comments where they are relevant to the OCC's evaluation of the CRA performances of Citibank, N.A. and Associates National Bank, and when reviewing corporate applications involving those banks that are subject to CRA.

In connection with our CRA examination of Citibank we reviewed all of the comments related to Citigroup's acquisition of Associates First Capital Corp. and categorized the complaints of those who were opposed to the acquisition. We also identified which entities were the subject of the complaints about abusive lending practices or other related practices in determining if the comments were relevant to Citibank's CRA performance. We also reviewed the transcript of the New York State Department of Banking's hearing on the acquisition, conducted on November 17, 2000. An OCC official participated in that hearing. In evaluating Citibank's CRA performance we considered the comments about home improvement lending, subprime lending, targeting of subprime loans to LMI geographies and individuals, targeting of prime purchase mortgages to higher income individuals, the lack of lending in New York City LMI census tracts, and branch closings. The following summarizes the comments and our findings.

Home improvement lending. Some commenters alleged that the bank reported unsecured small home improvement loans in its HMDA data, and thus distorted its record of home mortgage lending. However, another commenter supported the program as being consistent with the spirit of CRA because the heavy demand for the product indicates it was responsive to a need. HMDA (12 C.F.R. Part 203) requires that all home improvement loans be reported on the Loan Application Register, including those that are unsecured. Citibank's reporting of these loans was in compliance with this requirement. The unsecured small home improvement loan is discussed on pages 14, 18 and 19.

Subprime lending. Several commenters alleged that subprime lending is predatory in nature and leads to high foreclosure rates, and complained about subprime lending by Citigroup or Associates First Capital. Citibank does little subprime lending worldwide. A bank subsidiary, CitiMortgage, acquired Source One Mortgage Co. May 1, 1999. SOM has a small subprime portfolio, which comprised 2 percent of its portfolio when CitiMortgage purchased the company. The subprime loans now represent less than 1 percent of CitiMortgage's portfolio. CitiMortgage systematically "refers up" any application to be eligible for a prime loan when certain underwriting criteria are present in the application. CitiFinancial, a subsidiary of Citigroup, but not of Citibank, does extensive subprime lending, and a small number of these loans were considered in our analysis of affiliate lending data in the New York AA.

Targeting of subprime loans. Several commenters alleged that subprime lending is marketed only to minorities and LMI geographies. As noted above, the level of

subprime lending by a bank subsidiary, CitiMortgage, is very low. Also, the subprime loan is marketed nationally, and there are two offices located in the New York AA. We reviewed HMDA data for the mortgage loan analysis, which does not distinguish between prime and subprime loans. Given that less than 1 percent of the CitiMortgages's portfolio consists of subprime loans, we were unable to determine whether or not they were targeted to LMI geographies or individuals.

As for the other subprime portfolio originated by a holding company subsidiary, CitiFinancial's fair lending policies and procedures address the issue of protecting borrowers from predatory practices. A small part of its business is derived from brokers, who are held to certain standards that are designed to ensure fair and lawful treatment. CitiFinancial relies primarily on its compliance staff and infrastructure to ensure adherence to policies and practices. Its compliance program includes internal audits, quality control reviews, customer complaint monitoring, and employee training. Also, much of a lending officer's discretion to override policies is limited by constraints in the loan application software.

Targeting of prime purchase mortgages. Some commenters alleged that CitiMortgage markets its prime rate purchase mortgages to higher income individuals and geographies to the exclusion of lower income individuals and geographies. However, the vast majority of loans made to all individuals and within the various income levels of geographies were prime purchase mortgages. Therefore, we concluded that prime purchase mortgages were not targeted to the higher income population and geographies. As noted elsewhere in this document, Citibank has a marketing strategy for prime mortgages that specifically targets lower income geographies and individuals.

Lack of lending in New York City LMI census tracts. One commenter alleged that Citigroup made fewer loans in LMI geographies than other lenders. While Citibank is not the leading lender in low and moderate-income census tracts in the New York AA, the record does not support this conclusion. This matter is discussed on pages 18,19 and 20. In the New York MSA 10 percent of owner occupied units are in LMI census tracts. Eight percent of the bank's home purchase loans, 55 percent of the home improvement loans, and 7 percent of the refinance loans are in those tracts. In addition, fourteen percent of the home purchase loans, 32 percent of the home improvement loans, and 13 percent of the refinance loans were to low and moderate income individuals.

Branch closings. One commenter alleged that Citibank systematically closed branches in LMI neighborhoods. This issue is discussed in the Service Test commentary, starting on page 28. In the New York AA, no branches were closed during this evaluation period. In the prior two years, 1996 to 1998, 2 branches were closed, but neither had an impact on an LMI community because one was located at JFK Airport, and the other was in the downtown financial district.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in New York State is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the New York AA assessment area is good.

Lending Activity

Refer to Table 1 in New York State section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Citibank's lending volume in New York State is excellent, having extended over 53,000 loans that aggregated \$3.3 billion in the New York AA, which compares very favorably to the volume of lending done by other lenders in the AA. This is based on our analysis of the amount of lending and deposit market share by the leading banks in the AA. Citibank has the second largest share of deposits and its volume of loans compare favorably with the leading lender's volume based on respective deposit shares.

In its largest market, the New York AA, Citibank's HMDA reportable home improvement loans represented 54 percent of all such loans. All the small, unsecured home improvement loans were reported as required. It was third in this market for home purchase loans (5.6 percent) and ranked fourth in refinancings (3.5 percent). The emphasis on home improvement loans was the result of the bank's marketing plan to reintroduce itself into the mortgage market in New York. These were mostly small loans specifically targeted to the LMI market. The success of the marketing program helped increase penetrations of home purchase lending in LMI portions of the New York AA where owner-occupied housing is located. During the current evaluation period, nearly 30,000 home mortgage loans were made in the New York AA. Of that total, more than 19,000, or 63 percent, were for home improvement, 25 percent for home purchase, and the remainder for refinancing.

The preponderance of home improvement loans reflects the bank's strategy of using this product as an initial marketing tool to construct stronger lending and deposit relationships with LMI customers and communities. The volume of these loans peaked in 1999, and subsequently during 1999 and 2000 home purchase lending increased vis a vis home improvement lending. More than 16 percent

(4,459) of these New York households expanded their relationship with Citibank since the beginning of the program. More than 150 obtained a first or second mortgage from the bank, and more than 2,000 deposit accounts were opened. Citibank ranked third in total home purchase loans, third among low-income borrowers and second among moderate-income borrowers. The bank ranked fourth in total refinancing loans, 13th among low-income borrowers and 16th among moderate-income borrowers. No financial institution dominates the home purchase or refinancing market, with the leader in home purchase having 16.7 percent market share in 1999 and the leader in refinancing loans having 8 percent.

Twenty-three thousand small loans to businesses represent most of the remaining loans made in the AA. Citibank is fourth in the market for small loans to businesses, where two credit card companies have a combined share of 46 percent.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

The overall geographic distribution of home mortgage loans in the New York AA is good.

The geographic distribution for home improvement loans in the New York AA is excellent. The percentage of home improvement loans substantially exceeds the portion of owner occupied housing units in both low-income and moderate-income geographies. In addition, the bank's market share in low-income and moderate-income geographies substantially exceeds its overall home improvement lending in the AA. This strong performance is primarily attributable to the bank's uniquely structured product under the aforementioned program. The home improvement loan product is unsecured, and has a low interest rate, no fees, and low balances.

The distribution of home purchase mortgages in low- and moderate- income geographies is good. The percentage of loans by the bank for home purchase in low-income geographies equaled the demographics and was near to the demographics in the moderate-income geographies. The distribution of home refinance mortgages was good as the percentage of loans in low-income geographies equaled the demographics and was somewhat below the demographics in moderate-income geographies.

Small Loans to Businesses

Refer to Table 5 in New York State section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution for small loans to businesses is adequate.

The percentage of small loans to businesses made in low-income and moderate-income geographies is somewhat lower than the portion of businesses that are located within those geographies. Bank performance approximates market performance in these geographies. The bank's market share for these loans is also somewhat lower than the bank's overall market share for small loans to businesses.

Lending Gap Analysis

Maps and reports detailing Citibank's lending activity during the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

A substantial majority (97 percent) of the home mortgage loans, small loans to businesses, and CD loans originated/purchased by Citibank during the evaluation period were within its assessment areas. All of the CD loans were within the assessment areas.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in New York State section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Overall borrower distribution of home mortgage loans in the AA is good. Impacting performance in this category is the significant gap between the median family income of \$56,000 and the median housing value of \$195,000. This indicates that low-income families have no more than \$28,000 income. Also, 13 percent of the households are below the poverty level of income. Consequently, the percentage of home purchase and refinancing loans made to low-income borrowers is substantially below the percentage of families defined as low-income, and the percentage of home improvement loans is somewhat lower. Also, the percentages of home purchase and refinancing loans made to moderate-income borrowers are

somewhat lower than the percentage of families defined as moderate-income. The percentage of home improvement loans made to moderate-income borrowers is near to the percentage of families defined as moderate-income. However, the market share percentage of the bank's home purchase loans to both low- and moderate- income borrowers substantially exceeded the overall market share of such loans to all borrowers, and it is among the leading lenders in the market to low- and moderate-income borrowers. The bank's market share of home improvement loans to both low-income and moderate-income borrowers is substantially above the bank's overall market share. For refinancings, market share to low-income borrowers remains below the bank's overall market share, while for moderate-income borrowers it exceeds its overall market share.

Small Loans to Businesses

Refer to Table 10 in New York State section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Borrower distribution of small loans to businesses is adequate. Within the AA, the portion of the bank's loans to small businesses is below the portion of businesses that are defined as small business. The bank's market share of loans to small businesses is near to its overall market share. Ninety-two percent of these loans were in amounts of \$100M or less.

Community Development Lending

Refer to Table 1 in New York State section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

CD lending had a positive impact on the bank's overall lending activity. Citigroup Center for Community Development Enterprise (CCDE) is a business unit within Citigroup that makes substantially all the community development loans for its banking affiliates. CCDE uses the resources and skills of Citibank, Salomon Smith Barney, CitiMortgage and the Citigroup Foundation to help satisfy broad lending and investing needs. It has made a substantial level of community development loans for Citibank in the New York AA, which represents 7.5 percent of the bank's allocated capital. More importantly, these loans were targeted to projects that were responsive to community needs and were often originated to supplement other loans, investments and services provided by the bank for the same project. The table below summarizes the number and amount of community development loans extended during this evaluation period.

Community Development Lending - New York AA

<i>Purpose</i>	<i>Number</i>	<i>\$ 000s</i>
Affordable Housing	27	111,491
Economic Development	15	16,350
Supportive Services	110	89,624
Revitalization	4	22,513
Total	156	239,978

CCDE has demonstrated its responsiveness to community development needs through complex, innovative, and flexible programs and products. Identified CD needs include special needs of the disabled, health care, affordable housing, economic development, and supportive services. The table above shows CCDE's support for these needs.

The following are examples of the most significant loans made by CCDE:

- New York Equity Fund 2000 LP Series I (\$28.850 million) and New York Equity Fund 1995 LP Series (\$14.176 million). Citibank provided the bridge financing for these two issues during this evaluation period. The fund is the premier syndication vehicle for low income housing tax credits in the New York marketplace.
- Citibank was instrumental in structuring complex financing for a total of \$130 million that helped rehabilitate NYC's largest homeownership housing complex. Citibank was involved in changing legislation that paved the way for a creative and innovative approach that resulted in construction/rehab and permanent financing for 12,271 affordable housing units in the Bronx. Prior to the legislative changes, the NY Board Managers would not have been able to borrow for capital improvement for the project. Negotiations led by Citibank resulted in partnership between the project manager and very strong developers, addressing risks to the participating banks. Citibank's participation of \$15 million provided \$10 million for 3.5 years in construction financing and \$5 million for 30 years in permanent financing. This project directly affects surrounding LMI areas, and the revitalization effort will create 2,000 jobs, which will employ mostly LMI individuals.
- Citibank lent \$29.0 million to two community-based corporations under the New York City's Neighborhood Entrepreneur Program. The structuring of this program was very complex because the projects involved housing clusters impacting very low-/low-income housing rental units and commercial spaces in Bedford-Stuyvesant in Brooklyn and the Bronx. Citibank developed a highly successful program, in partnership with the NYC Housing Partnership and the

NYC Department of Housing, Preservation and Development, to structure the financing to reduce costs that would otherwise be incurred by the rental units.

- Citibank has had a long-term relationship with a nonprofit group that provides comprehensive healthcare services to uninsured LMI individuals in the Bronx and Manhattan. Credits extended totaled \$12.8 million. These included a \$2.4 million construction loan that converted to a permanent take-out mortgage for the renovation of three eight-bed Individual Residential Alternatives located in a low-income Bronx neighborhood. Also, \$4 million was extended to finance 20 group homes, including 15 independent care co-op loans and two intermediary care facilities.
- Citibank extended \$7.6 million to a nonprofit organization that provides educational, residential, and family support for individuals who are developmentally disabled, emotionally disturbed, or markedly at risk because of learning and behavioral problems. Sixty percent of the clients are LMI. Financing included a \$3.5 million line of credit extended in 1999 and 2000. Citibank also extended an additional \$600 thousand to support extended working capital needs as a result of delays in receipt of NY State Department of Education Grant funding.
- The bank has been a leader in microlending as the only lender for small business loans that serve immigrant and refugee populations in New York City and minority and woman owned businesses in Long Island. These microloan funds were subsidized with Bank Enterprise Award Funds to enable CCDE to offer loans at zero percent. As an example of the bank's strategic approach to meeting community needs, the corporation's foundation also made grants and CCDE staff serves on the Loan Committee.
- CCDE provided capital for minority and women-owned small businesses and their subcontractors that participate in the NYC Housing Partnership's New Homes/Neighborhood Builders program, and funded a consortium that funds existing companies and start up small businesses.
- CCDE also provided both acquisition and construction financing for a building annex to address the overcrowding of classrooms for a school in the Bronx that serves primarily LMI families. The project provided additional 400 spaces for students. To allow more flexibility the bank accepted a 5 percent escrow account in lieu of a 10 percent letter of credit or 100 percent performance bond.

CCDE's involvement with these financial intermediaries is often the result of relationships extending over long periods of time. To further enhance the effectiveness of CD programs and products, CCDE also supports these financial intermediaries through operational grants and CD services that are discussed in

separate sections of this public evaluation. Grants strengthen the operational capacity of these financial intermediaries. Also, bank employees serve on loan committees at some of these financial intermediaries, and provide managerial training.

CCDE also originated other loans with CD characteristics that were included in the home mortgage and small loans to businesses lending totals that had a positive impact on the AA. Citibank originated a total of 1,043 loans for \$96.5 million under special affordable mortgage programs that included sub-allocation portfolio, co-op project approval process, Mitchell Lama and Limited Equity co-ops, NYCHP New Homes, Yonkers Affordable Housing Development, and Project HOME. Citibank targeted pre-approved, pre-qualified, and general solicitation mailings for all of its Small Business Administration (SBA) products to all LMI census tracts in the AA. These products included streamlined lending, character lending, and SBA Guaranteed Loan Program, and have resulted in 338 SBA loans originated during the evaluation period that promote economic development.

Product Innovation and Flexibility

Product innovation and flexibility has a positive impact in evaluating performance under the lending test for the AA.

The high cost of housing makes home ownership difficult. Citibank has successfully developed several innovative and flexible mortgage products and programs that make home-ownership for low-income and moderate-income families more obtainable.

The bank has developed a series of affordable mortgage products, called the "Affordable Mortgage Product Set." Of note within this set is the unsecured home improvement loan. This loan product is considered both innovative and flexible in that no other lender is known to offer such a product. The loan is unsecured, has no fees, is offered in small amounts, and requires no property appraisal or valuation. Pre-approved mailings have gone to low-income and moderate-income individuals, and 19,417 loans were made during the evaluation period. This program has been successful in that it has increased public awareness of the bank's intent to become a leading home mortgage lender.

Citibank identified a significant segment of the population that would not qualify for any of the bank's tailored LMI products. Therefore a special portfolio was established in 1997 to retain loans that do not meet either investor or Citibank lending guidelines. These borrowers have some credit weakness that make their loans either non-saleable or ineligible for placement in the bank's general loan portfolio. The bank has expanded its commitment to the portfolio and in 1999 removed limits on the total portfolio. In addition, Citibank has expanded its

portfolio to include condo and co-op projects. The sub-allocation portfolio received 339 loans for \$20.5 million during the evaluation period.

In trying to create additional affordable housing opportunities for LMI borrowers, Citibank created a loan program with a co-op housing development in the Bronx. Generally, these co-ops either have to be purchased outright or financed through a costly installment loan. The bank designed a flexible product with reasonable rates and terms for up to 15 years. In addition, this product is considered innovative, as Citibank is the only institution known to offer mortgage financing rather than higher cost installment loans.

Considered both innovative and flexible, the bank's project HOME affords renters the opportunity to become homeowners. Citibank was the only lender to fund this project. Under the program, renters purchase city-owned properties rehabilitated by the City. The purchase price of the property is determined solely by the borrower's ability to service debt.

Refer to the CD Lending section for other innovative and flexible products and programs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Nassau Suffolk AA is not inconsistent with the bank's overall High Satisfactory lending performance under the lending test in New York. Refer to the Tables 1 through 11 in New York State section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Refer to Table 12 in New York State section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Citibank has originated a significant level of qualified investments that respond to the needs of the AA. The dollar volume of these investments ranked second in the

New York market AA in absolute terms, and the bank has done more investing than the leader relative to its retail market position.

The bank has been a leader in leveraging its investments by creating strategic partnerships with non-profits and community development corporations. It also combines investments with CD loans and services to maximize the impact of its community development efforts.

Almost half of the \$121 million in new investments and grants were funds used for affordable housing endeavors. The remainder promotes community services targeted to LMI individuals, financing small businesses in LMI neighborhoods and other activities that revitalize or stabilize LMI geographies. In addition, \$57 million in qualifying investments remain outstanding from prior evaluation periods. These investments had a positive impact on the AA and were responsive to identified community needs.

There are numerous investment opportunities in the New York AA. Citibank has been a leader in seeking and participating in these opportunities as well as creating strategic partnerships with non-profits and community development corporations. Examples of investments that provided such leverage follow:

- The bank invested a total of \$40 million in equity partnerships whose funds are used to create affordable rental projects in the New York Metropolitan area. In addition, \$50 million remain outstanding from prior evaluation periods. This demonstrates continued support for affordable rental housing. All of the programs sponsored by these particular partnerships specifically target both low- income individuals and low-income neighborhoods.
- Citibank make a \$1.3 million investment in a limited partnership equity fund. This fund acquires and develops properties in inner city LMI areas promoting revitalization and stabilization in these neighborhoods. It also provides employment opportunities to low- and moderate- income individuals. The purpose of the investments are to provide funding for a real estate investment trust, which will own, acquire and develop properties to locate commercial and professional facilities in Empowerment Zones, Enterprise Communities, and other inner city LMI areas nationwide.

Other examples of CRA qualified investments made during the evaluation period are:

- The bank invested in Mortgage Backed Securities, for which the collateral is loans to LMI households. The investments in properties in the AA exceeded \$13 million for the period. Mortgage Backed Securities provided needed liquidity to lending institutions so that additional mortgages could be funded.

The securities are collateralized only by mortgages to borrowers identified as low- or moderate-income. The bank ensures that loans in the securities are for a community development purpose by tracking the underlying loans in each security by the income level of the borrower as well as by census tract and its median income.

- In the area of economic development, \$25 million was invested in a specialty finance company and Small Business Investment Corporation that was formed to finance the purchase and sale of taxi medallions. The bulk of the investment (\$23 million) is allocated to the New York AA. The medallion business is one of the most active sectors of small business lending in New York. For the last decade the company has diversified its financing activities to small-secured loans to niches such as coin operated laundries, dry cleaning establishments, bodegas, and delicatessens.
- The Citibank-Enterprise Childcare Initiative is a collaboration between Citigroup and the Enterprise Foundation to provide local, community based child care organizations with a comprehensive package of grant funding, pre-development financing, and permanent financing. This is another example of Citibank's strategic approach to community development by combining loans, investments and grants. A below market rate loan enables Enterprise to provide low rate predevelopment financing to community development corporations engaged in the construction of child care facilities in LMI communities. In addition to the investment and loans, the Citigroup Foundation committed to a \$1 million grant. This is a needs based development program for local CDCs to provide low-income parents with affordable child care that enables them to become employed.

Some economic development investments are considered innovative. These investments focused particularly on the expansion of minority- or women-owned small businesses in the inner city. This category is a departure from the normal CRA qualified investments, which centered on affordable housing and low income housing tax credits. Citibank was the first investor in an equity fund venture that funds inner city economic development. The equity fund manager, a prominent investment house, is making its initial venture into this type of economic development. Citibank has a \$4 million investment allocated to this AA. The bank has also invested \$4 million in another private sector equity fund that focuses on providing equity to small businesses (mostly minority and women-owned) located in this AA. Again, Citibank was among the first investors, which encouraged other banks to participate.

The Citigroup Foundation made over \$10.3 million in grants in the New York AA. These are structured within five major grant programs, and each grant ranges in size from \$1,000 to \$1 million. This provides broad coverage to a variety of

qualifying community needs in the AA. By creating five major programs, the foundation can channel funds in response to disparate needs.

The Strategic Partners program works with non-profit partners to rebuild neighborhoods. The goals are to ensure the availability of affordable housing, develop strong local economies, and improve the quality of life in neighborhoods. Grants in this program range from \$25,000 to \$1 million and totaled \$6.3 million.

The Neighborhood Impact Grant program targets initiatives that address the housing, economic and human development needs of LMI neighborhoods and residents. These grants are often the seed money to provide an organization with general operating or long term planning support. Grants in this program range from \$5,000 to \$25,000 and totaled \$1.1 million.

Education grants support programs designed to increase access to technology and improve the quality of education offered by the New York City Public School system. More than 51 percent of the students in the school system are from LMI households. Grants for this program totaled \$1.2 million.

Human Services grants support non-profit human services providers through the United Way and the Citibankers Community Fund. The United Way grant is provided with instructions that funds be targeted to organizations serving LMI populations. The Citibankers Community Fund provides grants to human service organizations chosen directly by a committee of Citibank employees. The Foundation provided a grant of \$150,000 to this fund, which is supplemented by voluntary employee contributions. Foundation grants to the two funds totaled \$1.5 million.

Citigrants are smaller grants of \$1,000 to \$5,000 that support projects that bank employees perform volunteer work, or to support a financial center's (bank branch) role as a citizen of a particular neighborhood. These flexible funds are managed directly by community relations officers and branch managers. Of the \$169,000 in grants, \$29,250 was CRA qualified.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Investment Test in the Nassau-Suffolk AA is not inconsistent with the bank's overall Outstanding performance under the Investment Test in New York. Refer to the Table 12 in New York State section of Appendix D for the facts and data that support this conclusion.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test for New York State is rated "High Satisfactory." Based on the full-scope review, the bank's performance in the New York AA is good.

Retail Banking Services

Refer to Table 13 in New York State section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Citibank's delivery systems are accessible to geographies and individuals of different income levels in the New York AA. As delineated on Table 13, the bank has 124 branch locations in the AA, six percent of which are located in low-income geographies. Also, four percent of ATMs are located in low-income areas. Fourteen percent of the AA's population resides in low-income geographies. The percentage of branches and ATM's in moderate-income CT's approximates moderate-income area population.

Citibank's services, including business hours, do not vary in a way that inconveniences LMI geographies or individuals. There are no Saturday banking hours for three of the seven branches in low-income geographies. Two of the three are located in the downtown Manhattan financial district, for which there would be very little Saturday business. Also, there are no Saturday banking hours at 17 percent of branches in moderate-income geographies, 8 percent of branches in middle-income geographies, and 19 percent of branches in upper-income geographies. These variances are not significant and suggest that the level of service is at least as convenient for LMI geographies and individuals.

Citibank's record of opening and closing branches has not affected the accessibility of its delivery systems, particularly in LMI geographies. Access to service for LMI individuals was enhanced when the bank opened three branches: one in a middle-income geography and two in upper-income geographies, which contain significant LMI populations. The bank did not close any branches.

Bank management recently analyzed alternative delivery systems using a three-month moving average that covered ATM usage, telephone banking, PC/Internet banking, direct deposit, and bill paying. These internal studies indicate that, except for direct deposit, customers living in LMI geographies use these alternatives at rates similar to all customers. This indicates that alternative delivery systems are readily available in LMI geographies, and have a positive impact on the provision of

banking services. There is no income identification of individual customers, but presumably LMI individuals also use these services similarly.

Community Development Services

Citibank provides an excellent level of community development services focusing on financial literacy and increasing access to bank services, particularly credit and credit readiness for LMI individuals. Services also assist community-based non-profit organizations in reaching and investing in LMI neighborhoods. Citibank employees serve as volunteers, non-profit board members, and task force members with organizations providing assistance to the local communities. The services provided in educating staffs of community organizations are innovative, and other services are responsive to community needs. The following are examples of community development services offered by Citibank:

- The Community Development Institute is a bank program that offers community development corporations technical assistance, training services, and develops managerial, program planning, and financial skills. During the evaluation period the Community Development Institute coordinated five programs.
 - Provided staff members of various community development corporations with graduate level instruction in basic management principles. Citibank provided 43 partial scholarships to the program. As part of its strategic approach to combine loans, investments and services, the bank supplemented this educational effort with a grant to send 10 social service agency executives to a series of five-day workshops on economic development issues, which is part of the bank's CRA investments.
 - Sponsored five half-day workshops attended by 180 participants representing affordable housing, community development and social services organizations. Topics included fundraising, marketing, financial management and time management.
 - Sponsored two training courses providing credit training and one-on-one project development assistance to approximately 80 non-profit practitioners engaged in neighborhood stabilization or revitalization, in LMI geographies.
- Financial Literacy/Consumer Education - Citibank continues to provide seminars to educate the public on various aspects of the bank's products and services, general banking, and business issues. During the evaluation period Citibank sponsored 1,206 consumer education seminars, of which 736 (61 percent) took place at branches located in LMI geographies.

- Citipro is a complimentary financial needs analysis available to all Citibank customers. Financial literacy seminars were conducted at branches to explain Citipro. These seminars resulted in 116 customer analyses per branch in low-income geographies, 178 customer analyses per branch in moderate-income geographies, 134 customer analyses per branch in middle-income geographies, and 142 customer analyses per branch in upper-income geographies.
- Board Service and Leadership - Citibank employees continue to serve on boards and committees of community service organizations that provide community development services. Thirty-two Citibank employees served on 74 boards of directors of organizations that promote affordable housing, community development, job development, community services, economic development, and youth development in LMI geographies.
- Citibank does not impose ATM charges on non-customers for transactions conducted at locations in low- or moderate-income geographies.

Other CD services are discussed in the context of the bank's CD lending activity.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Service Test in the Nassau-Suffolk MSA is not inconsistent with the bank's overall High Satisfactory performance under the Service Test in the New York MSA. Refer to Table 13 in New York State section of Appendix D for the facts and data that support this conclusion.

Commonwealth Rating

CRA Rating for Puerto Rico:	<u>Outstanding</u>
The Lending Test is rated:	<u>Outstanding</u>
The Investment Test is rated:	<u>Outstanding</u>
The Service Test is rated:	<u>Outstanding</u>

The major factors that support this rating include:

- Citibank’s level of community development lending is excellent. CD lending is used to offset the difficulties in lending directly to LMI families.
- Geographic distribution of home mortgage products and small loans to businesses is good.
- Citibank’s innovative mortgage lending products, especially the unsecured home improvement product have led to excellent mortgage loan distribution to LMI families, considering the demographics of this area.
- Citibank’s level of investments is excellent considering the extremely limited investment opportunities.
- The distribution of Citibank’s limited branch system is readily accessible to geographies and individuals of different income levels in its AAs. Alternative delivery systems are used in LMI geographies and by LMI individuals at rates similar to all customers.
- The bank is the leading provider of CD services that are responsive to the needs of its AAs, especially with the focus on education programs for community-based organizations and increasing access to bank services.

Description of Institution’s Operations in Puerto Rico

Citibank operates 13 branches and 36 ATMs within Puerto Rico with \$3 billion in assets. It ranks sixth on the island in terms of assets and operates significantly fewer branches than its competitors. Citibank has six assessment areas, which include the San Juan and Caguas MSAs, portions of the Ponce, Mayaguez and Aricebo MSAs, and the island of Culebra. San Juan accounts for 94 percent of the deposits and most of the loans in Puerto Rico.

Citibank’s primary business focus is mortgages (including home purchase, refinance and home improvement loans), small business and corporate loans. Its focus and strategy has changed over the examination period. There was a strong consumer

lending presence, especially automobile lending, early in the evaluation period. However, the bank changed its credit strategy during the second half of 1998 in response to a difficult operating environment for automobile lending.

The major competitors in Puerto Rico include Banco Popular Puerto Rico, with \$15 billion in deposits; Banco Santander Puerto Rico, with \$7.3 billion; Banco Bilbao Vizcaya, with \$3.8 billion; First Bank of Puerto Rico, with \$4.7 billion; and Western Bank, with \$3.2 billion. Citibank has deposits of \$2.8 billion. Major mortgage loan competitors include Doral Financial Corporation and R&G Mortgage Corporation. All of these competitors have a larger presence in Puerto Rico than Citibank.

Deposits in Puerto Rico comprise only 7 percent of total deposits and 10 percent of the loans originated or purchased during the evaluation period.

The economic conditions within Puerto Rico present many challenges. Real GDP growth decreased between 1997 and 1998, from 3.4 percent to 3.1 percent. Growth in 1999 appears higher but most of the increase (1 to 1 1/2 percent) is due to aid received from FEMA and insurance claims in response to Hurricane George. Forecasted growth for 2000 is only 2.7 percent. Unemployment as of August 2000 was 10.7 percent. However, there has been a decrease in the number of people seeking jobs, which caused the workforce to be adjusted downward.

Puerto Rico has seen a steady decrease in manufacturing jobs since the elimination of the Section 936 tax incentives. Section 936 of the Internal Revenue Code had provided significant tax incentives to US manufacturers operating on the island. It had allowed companies to reinvest earnings from island operations in eligible financial instruments in Puerto Rico, and earn income exempt from both US and Puerto Rican income taxes. As of December 1996, total investment in exempt financial instruments was approximately \$14 billion. Currently, there are about \$2 to \$3 billion remaining. This tax code change prompted several large companies to close their operations on the island and others to significantly reduce operations resulting in a reduction in manufacturing jobs of 12 thousand by the end of 1999. While these jobs have been replaced, it has been with lower paying service sector jobs.

Refer to the Market Profiles for the Commonwealth of Puerto Rico in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Puerto Rico

Three of the six assessment areas were selected for full scope review. Citibank's assessment areas within the San Juan MSA, Ponce MSA and Mayaguez MSA

received full-scope reviews. The ratings within each test were based primarily on the results of those areas receiving full-scope reviews. Performance in the limited-scope review areas was considered where performance materially differed from the areas that received full scope reviews. Those assessment areas receiving limited-scope reviews were Aricebo MSA, Caguas MSA and the Non-MSA area of Culebra. Due to the concentration of population, bank deposits and bank loans within the San Juan MSA, this AA is weighted the most heavily in the overall conclusions.

We met with four community groups as part of this evaluation. Two were housing related entities and the other two worked on housing and economic development. These groups emphasized the need for affordable housing in their areas. They also discussed the need for job creation due to the loss of the Section 936 tax credits. This has caused a reduction in higher paying manufacturing jobs, which are being replaced by minimum wage service industry jobs. Other identified community needs were the need for better community organizing efforts, technical assistance for these groups, credit and budget education, financial services education, micro business loan funds, and technical training for small businesses.

Refer to the table in Appendix A for more information concerning the scope of the evaluation. Some of the data information contained in the Appendix D tables contains 1998 information, rather than 1999.

LENDING TEST

In addition to economic factors noted above, such as the generally weak economy, elimination of Section 936 tax incentives, and the lingering adverse effects of Hurricane George, there are several other demographic factors that explain why residential real estate lending is skewed towards higher income borrowers.

Income levels in Puerto Rico are low. According to the 1990 Census, approximately 59 percent of households live below the poverty level. There is a large population that does not earn sufficient income to afford home ownership or to make market rate rent payments. The Commonwealth government operates 332 public housing projects with 57,000 units for approximately 250,000 persons. The waiting list for public housing is approximately equal to the current number of residents. Fourteen percent of the population either lives in or is waiting to live in public housing. Of the families living in public housing, 91 percent have rents ranging from \$32 to less than \$101 per month.

Housing costs are high in Puerto Rico due to the high cost of land. However, the level of owner-occupied housing is high compared to the United States, with 72 percent of housing units owner-occupied. Many owners of housing units, especially within the cities and port areas, do not have legal title to the property on

which their homes are constructed. This is especially true in low- and moderate-income geographies. The median sales price for a home in Puerto Rico at the end of 1999 was approximately \$88,000. These factors make it difficult for low or moderate-income individuals to afford home ownership. Because of this disparity between housing costs and income levels, HUD has designated all of the municipalities (with the exception of Rio Grande) in the San Juan MSA, Caguas MSA, and Mayaguez MSA as "Difficult Development Areas". Difficult Development Areas are any areas designated by the HUD Secretary as an area that has high construction, land and utility costs relative to the areas' median gross incomes. Such designations are used in administering the Federal Low Income Housing Tax Credit Program. The Commonwealth government has addressed the need for affordable housing through several programs to promote construction of low cost housing. However, the limit on the cost of affordable housing is \$60 thousand and incomes allowed for these programs are capped at \$42 thousand, which is 262 percent of median income.

The high cost of housing in relation to family income makes it difficult for banks and community organizations to participate in projects aimed at satisfying the needs of low- and moderate-income families. Therefore, due to the very high cost of housing and very low median incomes, and lack of affordable housing, we gave some consideration for qualified community development lending to affordable housing loans for middle and even upper-income families. However, more consideration was given to those loans and investments dedicated toward LMI families and geographies.

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Puerto Rico is rated "Outstanding". Based on full-scope reviews, the bank's performance in the San Juan and Mayaguez AAs is excellent, and in the Ponce AA, good.

Lending Activity

Refer to Table 1 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Citibank originated or purchased a good volume of mortgage loans during the evaluation period. The volume increased 45 percent from the prior evaluation period, which was the two-year period ending June 30, 1998. In the San Juan MSA, Citibank ranked ninth with a market share of 5 percent in home mortgage lending versus a deposit market share of 11 percent. In the Ponce MSA, the bank was ranked tenth with a market share of 4 percent versus a deposit market share of 4 percent. In the Mayaguez MSA, the bank ranked ninth with a market share of

3 percent versus a deposit market share of 3 percent. Due to the concentration of Citibank branches in the San Juan MSA, these branches attract a higher level of consumer deposits.

CRA reportable small business loans declined slightly over the evaluation period but remained at an adequate level. Credit deterioration over the period in Puerto Rico caused tightening of credit standards and the emphasis on new small business loans was diminished. Citibank ranked seventh with a 1.5 percent market share in San Juan MSA, and eighth in both the Ponce and Mayaguez MSAs with market shares of less than 1 percent.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

Geographic distribution of home mortgage loans is good. In the San Juan MSA, the geographic distribution of home purchase loans is good as the percentage of loans originated or purchased (1.25 percent) exceeded the percentage of owner-occupied properties in low-income census tracts (0.88 percent) and was about one-half of the percentage of owner-occupied in moderate-income census tracts. In the Mayaguez and Ponce MSAs the distributions are adequate, as the percentage of lending is lower in both low-income and moderate-income census tracts than the percentage of owner-occupied. However, in both of these assessment areas, the market shares in moderate-income census tracts significantly exceeded the bank's overall market share for home purchase loans.

The geographic distribution for home improvement loans in all of the full-scope areas is excellent. In all cases, the percentage of lending in low-income census tracts is significantly higher than the percentage of owner-occupied housing in those census tracts. For moderate-income census tracts, the lending in San Juan MSA is approximately equal to owner-occupied housing. In Ponce, it is significantly higher and Mayaguez it is slightly lower. The market shares of lending to low-income census tracts in Ponce and San Juan are higher than the overall market share for home improvement loans and in Mayaguez it is approximately one-half of the overall. The market share for lending in moderate-income census tracts is higher in Ponce, just about equal in Mayaguez and lower in San Juan as compared to the overall market share.

Geographic distribution of refinance loans is good. In the San Juan MSA, the distribution of loans (1.01 percent) is slightly higher than the percentage of owner-

occupied housing in low-income census tracts (0.88 percent), and somewhat lower in moderate-income census tracts. In Mayaguez MSA, the percentage of lending is lower in both low and moderate-income census tracts than the percentage of owner-occupied housing. In the Ponce MSA, the percentage of lending to low-income census tracts is twice the owner-occupied housing percentage but the lending in moderate-income census tracts is one-third less than the owner-occupied percentage. However, in Ponce the market share information indicated that market shares in moderate-income census tracts is slightly higher than the overall market share. In San Juan, the market share in low-income census tracts is five times higher than the overall market share and it is slightly lower in the moderate-income census tracts.

Small Loans to Businesses

Refer to Table 5 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good in the San Juan AA. The percentage of lending to businesses located in low- and moderate-income in the San Juan MSA is approximately equal to the percentage of businesses located in these census tract types. The volume of small loans to businesses originated or purchased within the Mayaguez and Ponce AAs is too small to provide a meaningful analysis.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any conspicuous or unexplained gaps in lending patterns.

Inside/Outside Ratio

A substantial majority of the home mortgage loans, small loans to businesses and CD loans were originated by Citibank over the evaluation period were within its AAs. Eighty-nine percent of the bank's home mortgage loans, 98 percent of the loans to small businesses and 100 percent of the CD loans were within the AAs. This performance positively impacted the overall analysis of the geographic distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans is excellent. Due to the high housing cost and low incomes in Puerto Rico, the percentage of lending to low- or moderate-income families is much lower than the percentage of such families for home purchase loans and refinance loans in all assessment areas. However, for home purchase loans, Citibank's market share to moderate-income families significantly exceeded its overall market share in each full scope MSA. For home improvement loans, the percentage of lending was about half of the percentage of low-income families, but significantly exceeded the percentage of moderate-income families in all assessment areas. In addition, Citibank's market share of lending to low and to moderate-income families is more than double its overall market share in each full scope MSA. Citibank is not a significant player in the refinance market with 2 percent or less of the overall market share in the full scope assessment areas. In Mayaguez, the bank has a market share to moderate-income borrowers that significantly exceeded the overall market share.

Small Loans to Businesses

Refer to Table 10 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Citibank's percentage of small loans to businesses is good in the San Juan. In San Juan, about 75 percent of all lending was to businesses with revenues of less than \$1 million. This compares favorably to the percentage of businesses defined as such in this MSA at 76 percent. The distribution of dollar amounts of these small loans to businesses shows that the significant majority of loans in the San Juan MSA are in amounts of less than \$100 thousand.

Community Development Lending

Refer to Table 1 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Citibank has an excellent level of CD lending. While most affordable housing is accomplished through a governmental agency, projects initiated by municipalities do provide opportunities for lending. In the San Juan MSA, Citibank originated loans for three affordable housing projects during the evaluation period, totaling \$50 million and creating 706 units of affordable housing. One affordable housing project was originated in the Mayaguez MSA for \$10.8 million creating 221

affordable housing units.

Also, in the San Juan MSA five revitalization projects were funded for \$51 million. These projects included commercial development in low and moderate-income census tracts that will promote employment and infrastructure development, which will stabilize low and moderate-income areas.

No community development loans were originated specifically in the Ponce MSA, however, \$38 thousand of a commonwealth-wide loan was allocated to this MSA.

The Puerto Rico Hurricane Relief Fund responded to the community development needs of the island. Citibank took the initiative of approaching several municipalities to provide relief to individuals, particularly those who cannot typically obtain loans from banks and other conventional lenders. The bank loaned \$500,000 to the fund, which in turn is able to offer loans whose terms and 2 percent interest rate are below market and extremely flexible.

Product Innovation and Flexibility

Citibank has created flexible and innovative loan products to assist low and moderate-income borrowers in home ownership. The CRA Mortgage loan provides flexible underwriting for home purchase or refinance loans to low or moderate income borrowers or for properties in low or moderate-income census tracts. The underwriting for this product allows significantly higher debt to incomes, no origination fees, and high loan to values. This product allows for much greater flexibility than the governmental affordable products. No other banks within the Commonwealth of Puerto Rico offer such flexible products. Three hundred and twelve loans totaling \$17 million were originated. The unsecured home improvement loan offers flexibility and helps to address the problem of homeowners who lack title to the land. The loan allows for higher debt burdens and is specifically targeted for low or moderate-income families since the maximum qualifying income is \$13,000. Five thousand and seven loans totaling \$20 million were originated.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Arecibo and Caguas MSAs are not inconsistent with the bank's overall "Outstanding" performance under the Lending Test in Commonwealth of Puerto Rico. Lending for this bank and all peers is limited within the nonmetropolitan area of Culebra and there is insufficient data to evaluate. Refer to the Tables 1 through 11 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Puerto Rico is rated "Outstanding". Based on full-scope reviews, the bank's performance in the San Juan MSA, Ponce MSA and Mayaguez MSA is excellent.

Refer to Table 12 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Management continually searches out potential investment opportunities in the San Juan, Ponce and Mayaguez MSAs. However, during the evaluation period, no new bonds were issued in Puerto Rico that would qualify as CD investments. Therefore, investment opportunities were extremely limited. The current book value of investments made in prior periods in these 3 MSAs exceeds \$20 million. These are Puerto Rico Housing Bonds, issued by the Puerto Rico housing Finance Authority for the construction of affordable housing, and have a continuing impact on the community as funds are released for new developments. The majority of these bonds (\$18 million) were purchased during the previous evaluation period, in May and December 1997. The bank continues to work with the Commonwealth government to create new community development investment opportunities.

Numerous grants were made throughout Puerto Rico to a variety of community groups. In the San Juan MSA, 35 grants were made totaling \$411 thousand. In Ponce MSA, 26 grants were made totaling \$118 thousand. And, in the Mayaguez MSA, 22 grants were made totaling \$40 thousand.

Examples of grants and donations are a \$75,000 grant to provide housing and community development services, a \$74,000 donation to a high school in a low-income neighborhood for counseling and tutoring, and \$30,000 to provide physical therapy, education and equipment to LMI disabled children.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Arecibo MSA and Caguas AAs and Culebra Non-MSA AA is not inconsistent with the bank's overall Outstanding performance under the Investment Test in Puerto Rico.

SERVICE TEST

The bank's performance under the Service Test in the Commonwealth of Puerto Rico is rated "Outstanding". Based on full-scope reviews, the bank's performance in the San Juan, Mayaguez, and Ponce AAs is excellent.

Retail Banking Services

Refer to Table 13 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Though Citibank operates a limited number of branches within Puerto Rico, they demonstrate excellent geographic distribution. Considering the high population density of the San Juan AA, and the limited presence in other AAs, the delivery systems are readily accessible to geographies and individuals of different income levels in the AAs. The bank implemented a strategy of locating branches in major shopping areas, which increases accessibility. In the San Juan AA, the bank's distribution of branches in low-income geographies greatly exceeds the percentage of the population residing there, and in moderate-income geographies the branch distribution is less than the percentage of population. In both the Ponce AA and Mayaguez AA, Citibank operates only one branch. The ATM distribution is similar to the branch distribution, since at least one ATM is located at each branch. In addition, there are ATMs located in major corporations located in the San Juan AA and Mayaguez AA.

Citibank maintains ATMs, Interactive Voice Response, Direct Access, Automated Banking Centers and Customer Services, 24 hours a day, seven days a week. Internal studies indicate that LMI customers use these alternative delivery systems at rates similar to middle-income customers.

Citibank provides generally consistent products, services and business hours at all branches located throughout the San Juan, Ponce and Mayaguez AA branch networks, including branches located in low- or moderate-income geographies. Several branches located in high traffic shopping areas have expanded hours. In addition, Citibank offers budget checking and savings products, which are targeted at lower income customers. These products offer lower opening balances, lower monthly fees with fewer free transactions. During the evaluation period, 37 percent of all checking accounts opened were budget checking accounts.

Branch closings, consolidations or sales have not adversely affected the accessibility of Citibank's branch network. During the evaluation period, one branch located in an upper-income geography was sold in the San Juan AA, one branch located in a moderate-income geography was sold in the Mayaguez AA and

one branch located in an upper-income geography was sold in the Ponce AA. One branch within the San Juan MSA was relocated.

Community Development Services

Citibank developed an excellent community development services program and is the leader in providing such services. The bank is the only bank that is providing the types of services that will create an infrastructure that will help community-based organizations become more effective. Community development services have been targeted over the evaluation period toward customer education, assisting community groups with management and technical seminars, and building relationships between governmental organizations and community groups. In addition, employees of the bank are very involved with groups devoted to community development, and holding positions as board members and treasurers. Citibank developed the Citibank Community Groups Network Program to improve partnerships with 13 community organizations across all assessment areas. Using this forum, coordination of the community groups and governmental agencies has provided better understanding of the products available for LMI community members.

Community development services are especially strong in the San Juan AA, where many island-wide organizations are headquartered. However, involvement in the Ponce and Mayaguez MSAs is also strong, considering the scope of Citibank's operations in those areas.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Arecibo and Caguas AAs and the Non-MSA AA of Culebra is weaker than the bank's overall Outstanding performance under the Service Test in Puerto Rico. There are only single branches in each of these AAs, and geographic analysis is not meaningful. The branches are accessible to essentially all portions of the geographies and individuals of different income levels in the AAs. Refer to Table 13 in the Commonwealth of Puerto Rico section of Appendix D for the facts and data that support these conclusions.

Territory Rating

CRA Rating for the Virgin Islands: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Citibank originated or purchased a good level of home mortgage loans while operating its consumer branch. However, the level of small business lending was low.
- Borrower distributions are good for home purchase mortgages and refinance loans but excellent for home improvement loans. St. Thomas has only one moderate-income census tract, and geographic distribution is good in that tract.
- The level of investments is good based on the outstanding balances from prior evaluation periods, and considering the limited opportunities for making investments.
- The one consumer branch operated until December 1999 provided good access for customers, however, since its sale there is limited access for customers to Citibank services.

Description of Institution's Operations in the Virgin Islands (USVI)

The USVI consists of the three islands of St. Thomas, St. Croix, and St. Johns. The bank's assessment area consists of the island of St. Thomas. This is a small part of the bank's total market with less than 1 percent of the total deposits and less than 1 percent of the loans originated or purchased during the evaluation period. Total deposits at June 30, 2000 were \$48 million with consumer deposits at \$343 thousand. Citibank serves the St. Thomas AA in the Virgin Islands (USVI) with one branch. St. Thomas is a non-metropolitan area consisting of 16 BNAs. There are no low-income BNAs and only one moderate-income BNA.

Formerly, Citibank offered a full range of banking products and services in this assessment area. The current range of products consists of cash management services provided to corporate clients.

In December 1999, Citibank sold its consumer bank to a competitor operating in the assessment area. The sale contract established competitive restrictions

prohibiting Citibank from conducting any consumer retail business in USVI for a three-year period. This has limited the activity for consideration during the six months of the evaluation period.

Chase Manhattan Bank, Banco Popular, and Bank of Nova Scotia dominate banking in the Virgin Islands, and among them have about 80 percent of the market's banking assets.

High housing costs and low-income levels have resulted in low owner occupancy levels in USVI. According to 1990 census data, only 35 percent of housing on St. Thomas is owner-occupied, and the median value of housing according to the 1990 census is \$143 thousand. However, a 1998 USVI Economic Research report indicates an even higher amount of \$183 thousand. The adjusted median family income for 2000 is \$37,380. The disparity between income levels and the price of market value housing indicates a great need for affordable housing to improve accessibility for LMI families. It also indicates that home ownership is not affordable for many middle-income families as well. The low incidence of home ownership also limits the home purchase market. The Virgin Islands Housing Finance Authority has used HUD funds to build housing units in the past. However, these are usually built in St. Croix where land costs are lower.

Tourism accounts for nearly two thirds of the V.I. economy, but competition from cruise ships has caused a marked decline in the number of tourists. Hurricanes have also had a detrimental effect on the overall economy when resultant damage contributed to the government's \$1 billion debt. The debt is among the highest per capita in the world. The government employs 25 percent of the work force, and a serious fiscal situation severely impacts the economy. Therefore, economic growth prospects are not positive.

Refer to the Market Profiles for the US Territory of the Virgin Islands in Appendix C for detailed demographics.

Scope of Evaluation in the Virgin Islands

The only assessment area where Citibank operates in the Virgin Islands was used as the full-scope review area. This assessment area consists of all of St. Thomas. Home mortgage lending, small business lending and grants and investments originated or purchased between June 30, 1998 and June 30, 2000 were considered for this evaluation. We evaluated lending that occurred until the end of 1999, when the consumer business was sold and all retail and business lending ceased.

Refer to the table in Appendix A for more information concerning the scope of the evaluation.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in the US Territory of the Virgin Islands is rated "High Satisfactory".

Lending Activity

Refer to Table 1 in the US Territory of the Virgin Islands section of Appendix D for the facts and data used to evaluate the bank's lending activity.

During the evaluation period, Citibank originated 135 HMDA reportable loans and 10 small business loans. Considering the bank's secondary position in this market and the small population base, Citibank originated a good level of mortgage loans through 1999, when the consumer branch was sold. The sales agreement prohibits Citibank from originating consumer loans for a period of three years. However, the volume of small loans to businesses was poor, with originations of only half the number of loans from the prior evaluation period.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the US Territory of the Virgin Islands section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of mortgage loans is good. There are only 280 owner-occupied housing units in the one moderate-income BNA, which restricts the market for mortgage originations. The geographic distribution for home purchase is somewhat lower than the portion of owner occupied housing units. The distribution of home improvement loans greatly exceeds the portion of owner occupied units, and the distribution of refinancing mortgages equals the portion of owner occupied units.

Small Loans to Businesses

Refer to Table 5 in the US Territory of Virgin Islands section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

With only 10 loans to small businesses originated, a meaningful analysis of the geographic distribution cannot be performed. For those loans, bank data indicates the percentage of loans originated in the moderate-income geography was slightly below the percentage of businesses located in those census tracts.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any conspicuous or unexplained gaps in lending patterns.

Inside/Outside Ratio

A substantial majority of the home mortgage loans, small loans to businesses and CD loans originated by Citibank over the evaluation period are within its AA. Eighty-eight percent of the bank's home mortgage loans, and 91 percent of the loans to small businesses were within its AAs. This performance positively impacted the overall analysis of the geographic distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the US Territory of the Virgin Islands section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Overall distribution of home mortgage loans in the AA is good. Impacting performance in this category is the great variance between the median family income of \$37 thousand relative to the median housing value of \$183 thousand, and the low level of owner occupied housing. The bank distribution of lending to low- or moderate-income borrowers for home purchase loans and refinance loans is good. The distribution of lending for the home improvement product is excellent. While the percentage of lending for home purchase and refinance loans is significantly lower than the percentage of families that are LMI, the extremely high cost of housing and low median incomes places these products beyond the financial capacity of those borrowers. The percentage of lending for home improvement loans is approximately equal to the percentage of low-income families but significantly higher than the percentage of moderate-income families.

Small Loans to Businesses

Refer to Table 10 in the US Territory of the Virgin Islands section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's

origination and purchase of small loans to businesses.

With only 10 small loans to businesses originated, a meaningful analysis of the borrower distribution cannot be performed. Of these loans, 70 percent were originated to businesses with revenues less than \$1 million. In addition, all loans were for amounts less than \$100 thousand.

Community Development Lending

Refer to Table 1 in the US Territory of the Virgin Islands section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Since there were no community development loans originated in the St. Thomas assessment area during the evaluation period, CD lending had no impact on the AA's evaluation. The financial constraints of the government have impacted its ability to promote new projects. This also limits the ability of the private sector to develop projects. There is a lack of community development organizations, which promote housing development or can sponsor private-public partnerships to address community development needs.

Product Innovation and Flexibility

Citibank has created flexible and innovative loan products to assist LMI borrowers in home ownership. The CRA Mortgage loan provides flexible underwriting for home purchase or refinance loans to low or moderate income borrowers or for properties in low or moderate-income census tracts. The underwriting for this product allows significantly higher debt to incomes, no origination fees, and high loan to values. This product allows for much greater flexibility than the governmental affordable products. No other banks in St. Thomas offer this flexible product, pursuant to which the bank made 15 loans totaling \$1.1 million. The unsecured home improvement loan offers flexibility and helps to address the problem of homeowners who lack title to the land. The loan allows for higher debt burdens and is specifically targeted for low or moderate-income families since the maximum qualifying income is \$13,000. Forty-seven of these loans were made. The bank also purchased and services 11 loans provided through the Virgin Islands Housing Finance Authority.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the USVI is rated "High Satisfactory".

Refer to Table 12 in the U. S. Virgin Islands section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, no new bonds were issued in the USVI that would qualify as CD investments. There are no significant not-for-profit and community based organizations that focus on housing solutions for LMI individuals. Therefore, investment opportunities were extremely limited. The current book value of investments made in prior periods exceeds \$2.2 million, representing the original amount of bonds issued by the Virgin Islands Housing Finance Authority. The bonds were purchased August 26, 1998. The authority was created to stimulate LMI housing construction and ownership through the issuance of these revenue bonds.

Three qualifying grants were made to groups specializing in community development services, small business development and job creation in the USVI. These helped address funding needs for programs targeting low- and moderate-income individuals.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the Virgin Islands is rated "Low Satisfactory".

Retail Banking Services

Refer to Table 13 in the Territory of the Virgin Islands section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Until December 1999, Citibank operated one full-service branch in St. Thomas. At that point Citibank sold its consumer bank to another bank operating on the island. At the conclusion of the sale, only \$45 million in deposits remained and \$29 million in loans that were not sold. Currently there are only \$343 thousand in consumer deposits remaining. The sales contract established competitive restrictions

prohibiting Citibank from conducting consumer retail business or opening branches within three years of the sale. The current branch operates as the corporate bank office. Products offered are cash management for local corporations, government corporations, insurance companies and international corporate clients with a USVI presence.

Prior to the sale of the full-service branch, Citibank provided good access throughout the island of St. Thomas. A consistent product set was offered to all customers in this assessment area. Citibank maintained an ATM, Interactive Voice Response, Direct Access, Automated Banking Centers and Customer Service, 24 hours a day, seven days a week. These actions improved access to its products since the bank maintained only one branch.

The sale of the branch has limited the accessibility of Citibank's products and services for consumers. However, the current strategy is to maintain only a corporate bank here and fulfill the bank's CRA commitment with a strategic plan for USVI.

Community Development Services

Citibank has developed a good community development services program, given the size and demographics of the AA and the number of bank employees involved. Employees have participated in seminars and educational activities to educate LMI first-time homebuyers, micro-entrepreneurs and small business owners. In addition, Citibank employees have worked with existing organizations to help them expand their services to include community development activities. Bank employees also provide technical assistance to these organizations.

Territory Rating

CRA Rating for Guam:	<u>Satisfactory</u>
The Lending Test is rated:	<u>High Satisfactory</u>
The Investment Test is rated:	<u>Low Satisfactory</u>
The Service Test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- Citibank’s level of lending activity is excellent, borrower distribution of mortgages is good, and distribution of small loans to businesses is adequate.
- The bank’s flexible mortgage lending products, especially the “no closing costs” home purchase option, positively impact performance.
- Citibank’s level of investments is adequate considering the limited availability of investment opportunities.
- The bank’s delivery systems are accessible to geographies and individuals of different income levels.

Description of Institution’s Operations in Guam

Guam is an island of 212 square miles. It is a non-metropolitan area with a highly diverse population. The whole island is Citibank’s AA.

Citibank Guam offers various loan and deposit products, including mortgage, auto loans, personal loans, and commercial small business loans. The four largest banks (Bank of Hawaii, Bank of Guam, First Hawaiian Bank, and Citibank) have 80 percent of the market. Citibank ranks third in total assets, and second in total liabilities. The bank’s total assets are \$380 million, which are funded by \$146 million of local retail deposits and \$234 million of deposits from off-island sources.

Local law classifies Citibank as a foreign bank, which restricts the bank to two branches. Citibank has one full service branch and one remote facility that are classified as a branch. The economy is heavily dependent on defense department activity and tourism, especially from nearby Asian countries. Guam has a population of 135,000, which has declined because of the loss of jobs associated with cutbacks in the defense industry, the decrease in the number of Asian tourists, and the emigration of local labor to the U.S. The average cost of housing is \$171 thousand, which makes the provision of mortgages to LMI families difficult.

Although Guam is divided into census tracts, the Census Bureau has divided the island into 58 Block Numbering Units (BNAs). All these BNAs are considered to be middle or upper income. Forty-nine (84 percent) are considered middle income, and nine (16 percent) are considered upper income. There is no HMDA reporting for Guam.

Refer to the Market Profiles for the Territory of Guam in Appendix C for detailed demographics.

Scope of Evaluation in Guam

Citibank has one Assessment Area (AA) in Guam, which consists of the island Territory of Guam. This AA received a full-scope review.

Refer to the table in Appendix A for more information concerning the scope of the evaluation.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Guam is rated "High Satisfactory".

Lending Activity

Refer to Table 1 in the Territory of Guam section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Citibank's level of lending activity is excellent. Overall, lending in Guam accounts for less than 1 percent of the total home mortgage and loans to small businesses for all AAs of the bank. During the evaluation period, Citibank originated 313 home purchase loans totaling \$42 million and 177 small loans to businesses totaling \$37 million. The bank made significantly more home mortgage loans to LMI borrowers than any other lender, and this represented 14 percent of such loans. The leading provider of loans on a percentage basis made 15 percent of its loans to LMI borrowers. Lending volumes exceed the local deposit base. As noted above, the bank's total assets in Guam are \$380 million, which are funded to a significant extent by offshore funds. More than half of the assets consist of mortgages. A home improvement product per se is not offered; rather customers can use either personal loans or cash out from a refinancing. Because banks in Guam do not

report mortgage data, all mortgage loans are classified as residential, and most of the lending is either home purchase or refinancing.

Citibank ranks fourth in loans to small businesses with a 12.4 percent market share. Two Hawaii based banks, ranking first and second, dominate the market with a combined market share of 59 percent. There is no peer mortgage data available, as banks in Guam are not HMDA reporters.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the Territory of Guam section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases. Note that Guam has no HMDA reporting.

The geographic distribution of home mortgage loan originations/purchases is not meaningful, as there are no LMI geographies.

Small Loans to Businesses

Refer to Table 5 in the Territory of Guam section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses. Note that Guam is not CRA LAR reporter.

The geographic distribution of small loans to businesses is not meaningful, as there are no LMI geographies.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any conspicuous or unexplained gaps in lending patterns.

Inside/Outside Ratio

All of the home mortgage and small loans to businesses originated in Guam were in the AA.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the territory of Guam section of Appendix D for the

facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

All of the home mortgage loans originated by Citibank during the evaluation period were classified as home purchase, although there were some refinancing loans.

Borrower distribution for home purchase lending is good when considering the difficulty that LMI individuals have in purchasing a home in the AA. The average cost of housing in Guam is relatively high compared to the median family income, and a significant percentage of households are below the poverty level. A low-income person earns less than \$22,850, whereas the average cost of housing is \$172,000.

The percentage of home purchase loans made to moderate-income borrowers is near to the percentage of families defined as moderate-income. The percentage of loans made to low-income borrowers is substantially below the percentage of the families defined as low-income.

There are no private mortgage insurance companies in Guam to assist banks in making loans with a lower down payment; consequently, most banks require a 20 percent down payment for home purchase or refinance loans. Because of this down payment requirement, home ownership has not been affordable for many LMI families. Since HMDA reporting is not required for the island, market rank and market share are not available.

Small Loans to Businesses

Refer to Table 10 in the Territory of Guam section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is adequate. Fifty-seven percent of small loans to businesses were to businesses with revenues of \$1 million or less. According to the 1997 Economic Census of Outlying Areas (latest available data), there are 2,707 business establishments. Of this total, 76 percent had receipts of less than \$1 million. The bank's market share of loans to businesses with revenue of \$1 million or less substantially meets the bank's overall market share, based on information derived from other banks' public evaluations. The distribution of dollar amounts of these loans shows that a majority of the loan originations were in amounts of less than \$100,000. This is another indication that business lending is primarily to small businesses.

Community Development Lending

CD lending had a positive impact on the bank's overall lending activity. Citibank has made a good level of community development loans, and originated six community development loans for a total of \$6.4 million during this evaluation period. The dearth of nonprofit infrastructure outside the realm of traditional health and human services, and of government programs in support of affordable housing, inhibit private bank financing. Notwithstanding this environment, Citibank was able to originate a loan for \$1.1 million for the development of 16 affordable housing units, and five loans aggregating \$5.3 million for economic development. None of the loans are considered complex or innovative.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusion for the Guam AA.

The bank makes use of flexible lending products that assist LMI individuals. Citibank is the only lender on Guam that offers applicants a "no closing cost" option. In return for a slightly higher rate, there is no application, origination, or appraisal fees. During the evaluation period, the bank originated 571 of these loans for \$68 million.

The bank offers a first-time homebuyer product. Citibank will lend up to 85 percent of the value of the property. During the evaluation period, the bank granted 89 of these loans, totaling \$11 million.

Additionally, the bank participates in the Rural Housing Services Loan Program. Fifteen loans were originated pursuant to the Rural Housing Development program, totaling \$2.1 million. This program is administered by the Department of Agriculture and assists LMI families to purchase housing in rural areas of the United States.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Guam is rated "Low Satisfactory".

Refer to Table 12 in the Territory of Guam section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, no new bonds were issued in Guam that would

qualify as CD investments. There are no significant not-for-profit and community based organizations that focus on housing solutions for LMI individuals. Therefore, investment opportunities were extremely limited.

Qualifying grants of \$200,000 were made to groups specializing in small business counseling and training. These helped address funding needs for programs targeting LMI individuals.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the territory of Guam is rated "High Satisfactory".

RETAIL BANKING SERVICES

Refer to Table 13 in the territory of Guam section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Citibank's delivery systems are accessible to geographies and individuals of different income levels within its AA based upon population demographics and location of the bank's branch and ATMs. Under local law, Citibank is considered a foreign bank and is restricted to two branches.

The full service branch, located in the capital of Agana, provides the traditional line of banking products and services. Within the branch are two ATMs, a night depository facility, and a deposit/payment machine operating 24 hours, 7 days a week. The bank also operates a Citicard Banking Center (CBC) in Dededo, the largest and most populated village on the island. The CBC is comprised of a 24-hour ATM, a deposit/payment machine, and a night depository facility. Citibank is the only bank on Guam that does not charge an ATM usage for both customers and non-customers.

In 1999, Citibank contracted with one of the largest grocery chains on Guam to accept loan and credit card payments at each cashier. Between August 1999 and June 2000, nearly 9,000 payments through this system were received. In July 2000, Citibank added four gas stations and nine convenience stores to merchants contracted to accept payments.

Citibank also provides individuals with access to a 24-hour phone-banking center.

Customers and non-customers may access accounts, inquire about any product or service, and apply for various loan products. The center is accessible at no charge from any point in Guam.

There is no data on the availability and effectiveness of these alternative delivery systems, and no significant weight was given to these systems.

Community Development Services

Citibank provides a relatively high level of CD services throughout this AA, given the size and demographics of the AA and the number of bank employees involved. For example, seven bank employees provide technical and financial expertise that benefit six community and business organizations benefiting LMI individuals or promoting economic development.

Appendix A: Scope of Evaluation

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

Time Period Reviewed	Lending Test (excludes CD Loans): 10/01/98 to 6/30/00 (Puerto Rico and Virgin Islands: 7/1/98 to 6/30/00) Investment and Service Tests and CD Loans: 10/27/98 to 10/16/00	
Financial Institution	Products Reviewed	
Citibank, N.A. (Citibank) New York, N.Y.	CD loans, small loans to businesses, investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
CitiMortgage Citigroup Foundation CitiFinancial Citibank, FSB Citibank, New York State Citibank South Dakota, N.A. Universal Bank, N.A.	Bank subsidiary Hldg. Co. affiliate Hldg. Co. affiliate Hldg. Co. affiliate Hldg. Co. affiliate Hldg. Co. affiliate Hldg. Co. affiliate	Home purchase, home improvement, and home refinancing loans. Grants and contributions HMDA reportable loans HMDA reportable loans and small loans to businesses HMDA reportable loans Small loans to businesses Small loans to businesses
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
New York New York MSA #5600 Nassau-Suffolk MSA#5380 Puerto Rico Arecibo MSA #0470 Caguas MSA #1310 Mayaguez MSA #4840 Ponce MSA #6360 San Juan MSA #7440 <u>Non-metropolitan Areas</u> Puerto Rico Culebra Virgin Islands Guam	Full Scope Limited Scope Limited Scope Limited Scope Full Scope Full Scope Full Scope Limited Scope Full Scope Full Scope	

Appendix B: Summary of State Ratings

RATINGS		BANK NAME		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Citibank, N.A.	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
State:				
New York	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Puerto Rico	Outstanding	Outstanding	Outstanding	Outstanding
Virgin Islands	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Guam	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Test in the overall rating.

Appendix C: Market Profiles for Full-Scope Reviews

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Market Profiles for Areas Receiving Full-Scope Reviews

State of New York	C-2
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State of New York Full-Scope Areas

New York MSA #5600

Demographic Information for Full-Scope Area: New York MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,478	12.8	17.7	33.0	33.7	2.8
Population by Geography	8,462,905	14.5	20.2	30.0	35.0	0.3
Owner-Occupied Housing by Geography	1,061,103	2.1	8.0	29.8	60.1	0.0
Businesses by Geography	322,076	6.8	15.8	23.3	51.8	2.3
Farms by Geography	2,037	1.1	5.1	18.8	74.7	0.3
Family Distribution by Income Level	2,052,204	25.2	15.3	18.2	41.3	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	831,046	26.2	29.1	29.1	15.6	0.00
Median Family Income	= \$37,515	Median Housing Value		= \$194,618		
HUD Adjusted Median Family Income for 2000	= \$56,200	Unemployment Rate		= 5.7%		
Households Below the Poverty Level	= 16.4%					

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

Source: 1990 U.S. Census and 2000 HUD updated MFI.

Citibank serves this AA with 124 branches and 1,082 ATMs. The AA consists of the following counties in the New York MSA: Bronx, Kings, New York, Queens, Richmond, Rockland, and Westchester. The bank's AA does not include Putnam County. Eighty-four percent of the bank's retail deposits are derived from this AA, and this represents 93 percent of its deposits in New York State. This AA accounts for 80 percent of the bank's HMDA lending and 78 percent of the small loans to businesses in New York State. Citibank ranks second in retail deposits in the marketplace. Major competitors include Chase Manhattan, which is dominant in the market, Bank of New York, HSBC Bank, and Fleet Bank.

This AA has 74 percent of the population of the two AAs in New York State. The primary business focus is providing global financial services to businesses, individuals, and governments. In turn, the bank is a full service lender in the New York City metropolitan area, and its primary focus for CRA lending is home improvement lending and CD lending, which have been identified as critical community credit needs. The number of owner-occupied housing units in LMI geographies is relatively low.

The economy is robust, although the unemployment rate is slightly higher than the national average.

Commonwealth of Puerto Rico Full-Scope Areas

San Juan MSA #7440

Demographic Information for Full-Scope Area: San Juan MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	429	3.3	28.2	32.9	31.7	4.0
Population by Geography	1,836,302	3.0	28.2	38.1	30.7	0.0
Owner-Occupied Housing by Geography	394,431	0.9	27.5	38.4	33.2	0.0
Businesses by Geography	(not available)	4.4	18.4	26.6	50.6	0.0
Farms by Geography	(not available)					
Family Distribution by Income Level	468,444	25.2	15.9	16.2	42.7	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	192,835	5.5	38.1	38.5	17.9	0.0
Median Family Income	= \$11,482	Median Housing Value		= \$90,000		
HUD Adjusted Median Family Income for 2000	= \$17,200	Unemployment Rate		= 8.8%		
Households Below the Poverty Level	= 50.9%					

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

Source: 1990 U.S. Census and 2000 HUD updated MFI.

Citibank operates eight branches and nine ATM sites in this MSA. The San Juan AA represents Citibank's largest AA in Puerto Rico. Its AA includes the entire MSA. San Juan accounts for 94 percent of the deposits and 78 percent of the HMDA lending and 84 percent of the loans to small businesses in Puerto Rico. Citibank ranks third in deposits in the San Juan MSA with 11 percent of total deposits. Major competitors include Banco Popular, Banco Santander, First Bank and BBV.

This AA has 52 percent of the population of Puerto Rico. The HUD adjusted median family income for 1998 of \$17,200 is the highest in Puerto Rico but is low compared to the cost of living and cost of housing. With 51 percent of the households earning incomes below the poverty level, the provision of mortgages to low or moderate-income families is difficult. Housing costs in this MSA are the highest on the island with a median cost estimated at \$90 thousand. In addition, as many as 60 percent of the home owners in this MSA may not have title to the property on which their homes are built, limiting housing related lending.

The San Juan economy like most others on the island has struggled since the repeal of Section 936 and the outflow of manufacturing jobs. However, the unemployment rate in August of 2000 was 8.8 percent, which is 21.4 percent below the island wide rate. Dominant industries include manufacturing,

construction, tourism and other service industries. Major employers within this MSA include Abbott Health and Chemical Products, Eli Lilly del Caribe, Warner Lambert, and Cutler-Hammer de Puerto Rico.

Ponce MSA #6360

Demographic Information for Full-Scope Area: Ponce MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	46	2.2	28.3	30.4	37.0	2.1
Population by Geography	187,749	2.9	23.2	33.7	40.2	0.0
Owner-Occupied Housing by Geography	36,949	1.2	19.7	33.5	45.6	0.0
Businesses by Geography	1,601	.2	16.5	61.5	21.7	0.0
Farms by Geography	(not available)					
Family Distribution by Income Level	45,664	26.1	13.8	15.4	44.7	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	18,245	5.4	33.4	34.4	26.8	0.0
Median Family Income	= \$8,732	Median Housing Value		= \$79,000		
HUD Adjusted Median Family Income for 2000	= \$12,700	Unemployment Rate		= 15.0%		
Households Below the Poverty Level	= 60.8%					

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

Source: 1990 U.S. Census and 2000 HUD updated MFI.

Citibank operates one branch and one ATM site in this AA. Its AA includes only the municipality of Ponce. The Ponce AA accounts for only 1 percent of the deposits, 5 percent of the HMDA lending and 3 percent of the loans to small businesses in Puerto Rico. Citibank ranks fifth in deposits in this AA with 4 percent of total deposits. Major competitors include Banco Popular, Banco Santander, First Bank, Western Bank and BBV.

This AA has 5 percent of the population of Puerto Rico. The HUD adjusted median family income for 1998 of \$12,700 is low compared to the cost of living and cost of housing. With 61 percent of the households earning incomes below the poverty level, the provision of mortgages to low or moderate-income families is difficult. Housing costs in this MSA are high with a median cost estimated at \$79 thousand.

The Ponce economy like most others on the island has struggled since the repeal of Section 936 and the outflow of manufacturing jobs. The unemployment rate in August of 2000 was 15 percent, which is significantly higher than the island wide rate. Dominant industries include manufacturing, construction, tourism and other service industries. Major employers within this MSA include Hanes Menswear, USSC Puerto Rico, Storage Technology, and Checkpoint Systems of Puerto

Rico.

Mayaguez MSA #4840

Demographic Information for Full-Scope Area: Mayaguez MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	46	8.7	10.9	45.6	23.9	10.9
Population by Geography	154,104	6.3	11.6	57.3	24.8	0.0
Owner-Occupied Housing by Geography	33,004	2.6	12.6	59.5	25.3	0.0
Businesses by Geography	1,363	1.5	4.8	74.0	19.7	0.0
Farms by Geography	(not available)					
Family Distribution by Income Level	39,901	24.6	17.0	16.8	41.6	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	16,632	11.0	15.6	57.4	16.0	0.0
Median Family Income	= \$9,746	Median Housing Value				= \$69,000
HUD Adjusted Median Family Income for 2000	= \$13,800	Unemployment Rate				= 13.7%
Households Below the Poverty Level	= 58.3%					

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

Source: 1990 U.S. Census, and 2000 HUD updated MFI.

Citibank operates one branch and two ATM sites in this MSA. Its AA includes the municipalities of Mayaguez, Cabo Rojo and Hormigueros from this MSA. The Mayaguez AA accounts for 1 percent of the deposits, 3 percent of the HMDA lending and 3 percent of the loans to small businesses in Puerto Rico. Citibank ranks sixth in deposits in the Mayaguez AA with 3 percent of total deposits. Major competitors include Banco Popular, Western Bank, Banco Santander, BBV and First Bank.

This AA has 4 percent of the population of Puerto Rico. The HUD adjusted median family income for 1998 of \$13,800 is low compared to the cost of living and cost of housing. With 58 percent of the households earning incomes below the poverty level, the provision of mortgages to low or moderate-income families is difficult. Housing costs in this MSA are high with a median cost estimated at \$69 thousand.

The Mayaguez economy like most others on the island has struggled since the repeal of Section 936 and the outflow of manufacturing jobs. The unemployment rate in August of 2000 was 14 percent, which is 25 percent higher than the island wide rate. Dominant industries include manufacturing, construction, tourism and other service industries. Major employers within this MSA include Starkist Caribe, Bumble Bee International, and Edward Lifesciences.

Territory of Virgin Islands Full-Scope Areas

Virgin Islands Non-metropolitan Area

Demographic Information for Full-Scope Area: St. Thomas Non-metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	16	0	6	50	38	6
Population by Geography	48,166	0	10	61	29	Nil
Owner-Occupied Housing by Geography	6,397	0	4	53	43	0
Businesses by Geography	(not available)					
Farms by Geography	(not available)					
Family Distribution by Income Level	11,042	19	16	19	46	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,835	0	14	70	16	0
Median Family Income	= \$24,036	Median Housing Value		= \$183,000		
HUD Adjusted Median Family Income for 2000	= \$37,380	Unemployment Rate		= 4.52%		
Households Below the Poverty Level	= 20.19%					

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

Source: 1990 U.S. Census and 2000 HUD updated MFI.

Territory of Guam Full-Scope Areas

Guam Non-metropolitan Area)

Demographic Information for Full-Scope Area: Guam Non-metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	55	0	24	58	13	5
Population by Geography	133,152	0	16	71	11	2
Owner-Occupied Housing by Geography	14,308	0	4	80	16	0
Businesses by Geography	(not available)					
Farms by Geography	(not available)					
Family Distribution by Income Level	26,219	19	21	17	43	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,384	0	26	67	7	0
Median Family Income	= \$33,020	Median Housing Value		= \$171,000		
HUD Adjusted Median Family Income for 2000	= \$45,700	Unemployment Rate		= 2.24 %		
Households Below the Poverty Level	= 12.61%					

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

Source: 1990 U.S. Census and 2000 HUD updated MFI.

Appendix D: Tables of Performance Data

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State of New York	D-5
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Content of Standardized Tables

A separate set of tables is provided for each state. References to the bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the

percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment

commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME													State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
New York MSA #5600	93	29,889	2,142,112	23,093	884,996	0	0	156	239,978	53,128	3,267,086	79				
Limited-Scope:																
Nassau-Suffolk MSA #5380	7	7,425	883,989	6,580	173,504	0	0	12	2,365	14,017	1,059,858	21				

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is October 1, 1998 to June 30, 2000.

(***) The evaluation period for Community Development Loans is October 26, 1998 to October 16, 2000.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
New York MSA #5600	2	2	8	6	30	22	60	70	3	5.6	1.8	3.2	4.3	6.9	7,377	72				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	<1	<1	12	18	69	63	19	19	8	3.5	7.7	2.7	3.6	4.0	2,832	28				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
New York MSA #5600	2	19	8	36	30	27	60	16	1	54.0	84.4	80.5	50.7	28.0	19,417	89				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	< 1	< 1	12	40	69	50	19	10	2	12.7	33.3	29.5	9.4	8.3	2,432	11				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
New York MSA #5600	2	2	8	5	30	21	60	72	4	3.5	1.6	1.4	2.5	4.5	3,095	59				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	< 1	< 1	12	13	69	69	19	18	6	2.8	0	2.9	3.0	3.0	2,161	41				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank**	Market Share by Geography*					Total Small Business Loans					
	% of Businesses	% BANK Loans *	% of Businesses	% BANK Loans *	% of Businesses	% BANK Loans *	% of Businesses	% BANK Loans *		Overall	Low	Mod	Mid	Upp	#	% of Total***				
Full-Scope:																				
New York MSA #5600	7	4	16	14	23	22	52	59	4	6.4	5.4	5.5	4.7	7.5	23,093	78				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	< 1	< 1	14	11	66	64	20	25	8	4.1	0.0	2.8	3.7	5.3	6,580	22				

(*) No information was available for the geographic location for 2% of loans originated in the full scope area.

(**) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans					
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
New York MSA #5600	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				

(*) Based on 1999 Aggregate Small Farm Data only. Market rank is for all income categories combined.

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

NA - not applicable

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans					
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***				
Full-Scope:																				
New York MSA #5600	25	2	16	12	18	22	41	59	3	5.6	9.2	9.0	6.4	7.3	7,377	72				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	16	6	19	25	27	28	38	33	8	3.5	4.0	4.6	4.5	4.8	2,832	28				

(*) As a percentage of loans with borrower income information available. No information was available for 5% of loans originated and purchased by the bank in the full scope area and 8% in the limited scope area.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																	State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans					
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***				
Full-Scope:																				
New York MSA #5600	25	17	16	15	18	9	41	7	1	54.0	74.2	62.8	30.7	19.3	19,417	89				
Limited-Scope:																				
Nassau-Suffolk MSA #5380	16	17	19	14	27	13	38	17	2	12.7	24.5	10.7	5.6	7.2	2,432	11				

(*) As a percentage of loans with borrower income information available. No information was available for 52% of loans originated and purchased by the bank in the full scope area and 39% in the limited scope area.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				State: NEW YORK				Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000								
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
New York MSA #5600	25	3	16	10	18	20	41	59	4	3.5	2.4	4.2	4.1	5.0	3,095	59
Limited-Scope:																
Nassau-Suffolk MSA #5380	16	8	19	23	27	25	38	29	6	2.8	3.4	3.9	3.5	3.4	2,161	41

(*) As a percentage of loans with borrower income information available. No information was available for 8% of loans originated and purchased by the bank in the full scope area and 15% in the limited scope area.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				State: NEW YORK				Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000				
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses				
	% of Businesses*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****			
Full-Scope:												
New York MSA #5600	82	58	92	6	2	6.4	5.7	23,093	78			
Limited-Scope:												
Nassau-Suffolk MSA #5380	85	64	95	4	1	4.1	3.5	6,580	22			

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 20% of small loans to businesses originated and purchased by the bank in the full scope area and 16% in the limited scope area.

(***) Based on 1999 Aggregate Small Business Data only.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		State: NEW YORK		Evaluation Period: OCTOBER 1, 1998 TO JUNE 30, 2000					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
New York MSA #5600	NA	0	0	0	0	0	0	0	0
Limited-Scope:									
Nassau-Suffolk MSA #5380	NA	0	0	0	0	0	0	0	0

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

(***) Based on 1999 Aggregate Small Farm Data only.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS State: NEW YORK Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
New York MSA #5600	15	56,503	151	121,493	166	177,996	88	0	0
Limited-Scope:									
Nassau-Suffolk MSA #5380	3	130	38	24,539	41	24,669	12	0	0

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

(**) "Unfunded Commitments" means legally binding investment commitments that are tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS State: NEW YORK Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000																	
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
New York MSA #5600	93	124	82	6	19	19	54	0	3	0	0	+1	+2	14	20	31	35
Limited-Scope:																	
Nassau-Suffolk MSA #5380	7	27	18	0	7	74	19	0	0	0	0	0	0	<1	15	67	17

*There is no geographic information for 2% of the branches.

Table 1. Lending Volume

LENDING VOLUME													Commonwealth: PUERTO RICO		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Mayaguez MSA #4840	2	242	11,224	8	528	0	0	1	10,885	251	22,637	3				
Ponce MSA #6360	2	348	15,147	8	911	0	0	1	39	357	16,097	5				
San Juan MSA #7440	90	5,634	485,057	272	24,767	0	0	8	103,859	5,914	613,683	79				
Limited-Scope:																
Arecibo MSA #0470	2	233	9,431	15	1,240	0	0	1	62	249	10,733	3				
Caguas MSA #1310	4	711	41,969	20	999	0	0	3	6,458	734	49,426	10				
Culebra Non-MSA	< 1	9	253	0	0	0	0		1	9	254	< 1				

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is July 1, 1998 to June 30, 2000.

(***) The evaluation period for Community Development Loans is October 26, 1998 to October 16, 2000.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE					Commonwealth: PUERTO RICO				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000							
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Mayaguez MSA #4840	3	1	13	10	59	54	25	35	10	3.1	0	5.2	3.6	1.6	72	2
Ponce MSA #6360	1	0	20	9	33	25	46	65	8	5.0	0	8.6	4.6	4.8	118	4
San Juan MSA #7440	1	1	28	15	38	30	33	53	5	6.9	5.7	5.0	6.2	8.2	2,558	84
Limited-Scope:																
Arecibo MSA #0470	0	0	12	13	79	86	9	1	6	4.0	0	.7	5.0	0	79	3
Caguas MSA #1310	0	0	20	8	54	55	26	37	8	5.1	0	2.8	4.6	6.8	214	7
Culebra Non-MSA	0	0	0	0	0	0	100	0	NA	0	0	0	0	0	0	0

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	Commonwealth: PUERTO RICO		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Mayaguez MSA #4840	3	9	13	10	59	57	25	24	4	6.5	3.3	6.0	7.2	5.6	132	5				
Ponce MSA #6360	1	2	20	28	33	24	46	46	5	8.3	12.5	10.6	6.1	8.9	187	8				
San Juan MSA #7440	1	3	28	26	38	34	33	37	5	5.3	6.2	3.4	5.5	1.7	1,688	70				
Limited-Scope:																				
Arecibo MSA #0470	0	0	12	9	79	87	9	4	4	6.7	0	5.2	6.9	7.9	118	5				
Caguas MSA #1310	0	0	20	24	54	47	26	29	4	6.4	0	6.9	5.5	8.0	289	12				
Culebra Non-MSA	0	0	0	0	0	0	100	100	2	27.3	0	0	0	27.3	8	<1				

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																
Commonwealth: PUERTO RICO																
Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Mayaguez MSA #4840	3	0	13	8	59	66	25	26	13	1.5	0	1.0	1.9	1.1	38	2
Ponce MSA #6360	1	2	20	12	33	23	46	63	16	1.2	0	1.4	1.7	1.0	43	3
San Juan MSA #7440	1	1	28	22	38	30	33	47	11	2.2	10.7	1.6	4.1	8.9	1,388	81
Limited-Scope:																
Arecibo MSA #0470	0	0	12	19	79	75	9	6	13	1.0	0	0	1.2	0	36	2
Caguas MSA #1310	0	0	20	19	54	43	26	38	15	1.9	0	1.8	1.6	2.4	208	12
Culebra Non-MSA	0	0	0	0	0	0	100	100	4	12.5	0	0	0	12.5	1	<1

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Commonwealth: PUERTO RICO				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000								
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Mayaguez MSA #4840	2	13	5	0	74	50	19	37	16	0.1	0	0	0.1	0	8	2
Ponce MSA #6360	< 1	0	17	25	62	25	21	50	13	0.2	0	0.6	0	0.3	8	2
San Juan MSA #7440	4	4	18	16	27	22	51	58	11	0.7	1.5	0.7	0.4	0.9	272	84
Limited-Scope:																
Arecibo MSA #0470	0	0	18	40	30	53	52	7	5	1.3	0	3.2	0.9	0.9	15	6
Caguas MSA #1310	0	0	24	30	71	35	5	35	10	0.5	0	1.3	0.1	0.4	20	6
Culebra Non-MSA	0	0	0	0	0	0	100	0	NA	NA	NA	NA	NA	NA	0	0

(*) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined. Only market share data available is 1998.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																	Commonwealth: PUERTO RICO		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans					
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Mayaguez MSA #4840	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				
Ponce MSA #6360	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				
San Juan MSA #7440	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				
Limited-Scope:																				
Arecibo MSA #0470	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				
Caguas MSA #1310	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				
Culebra Non-MSA	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				

(*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

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

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																Commonwealth: PUERTO RICO		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
Mayaguez MSA #4840	25	0	17	1	17	1	41	97	10	3.1	1.0	12.5	0	4.1	72	2			
Ponce MSA #6360	26	0	14	5	15	4	45	91	8	4.9	0	37.5	6.8	5.4	118	4			
San Juan MSA #7440	25	< 1	16	1	16	5	43	94	5	6.9	0	7.8	4.6	8.6	2,558	84			
Limited-Scope:																			
Arecibo MSA #0470	24	0	17	1	18	6	41	92	6	4.0	0	0	2.3	5.1	79	3			
Caguas MSA #1310	24	< 1	17	2	18	2	41	96	8	5.1	25.0	4.4	1.8	6.4	214	7			
Culebra Non-MSA	8	0	6	0	9	0	77	0	0	0	0	0	0	0	0	0			

(*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by the bank in Mayaguez and Arecibo.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																
Commonwealth: PUERTO RICO																
Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Mayaguez MSA #4840	25	10	17	32	17	26	41	32	4	6.5	17.1	15.9	11.2	2.3	132	5
Ponce MSA #6360	26	10	14	31	15	29	45	30	5	8.3	20.6	24.3	14.3	3.7	187	8
San Juan MSA #7440	25	11	16	25	16	16	43	48	5	5.3	12.7	10.6	4.6	3.7	1,688	70
Limited-Scope:																
Arecibo MSA #0470	24	12	17	11	18	25	41	52	4	6.7	27.8	9.9	9.2	4.7	118	5
Caguas MSA #1310	24	14	17	31	18	10	41	45	4	6.4	0	12.8	5.8	4.7	289	12
Culebra Non-MSA	8	12	6	13	9	25	77	50	2	27.2	0	100.0	50.0	22.2	8	< 1

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE																Commonwealth: PUERTO RICO		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
Mayaguez MSA #4840	25	0	17	8	17	5	41	87	13	1.5	0	6.2	2.2	2.1	38	2			
Ponce MSA #6360	26	0	14	2	15	5	45	93	16	1.2	0	0	0	2.0	43	3			
San Juan MSA #7440	25	< 1	16	3	16	10	43	87	11	2.1	0	1.0	1.1	3.1	1,388	81			
Limited-Scope:																			
Arecibo MSA #0470	24	0	17	0	18	11	41	89	13	1.0	0	0	1.4	1.4	36	2			
Caguas MSA #1310	24	2	17	8	18	9	41	81	15	1.9	0	3.6	1.7	2.7	208	12			
Culebra Non-MSA	8	0	6	0	9	0	77	100	9	12.5	0	0	0	33.3	1	< 1			

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Commonwealth: PUERTO RICO		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses	
	% of Businesses*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Mayaguez MSA #4840	82	50	75	25	0	0.1	0	8	2
Ponce MSA #6360	81	75	75	12	13	0.2	0.2	8	2
San Juan MSA #7440	76	75	81	10	9	0.7	0.8	272	84
Limited-Scope:									
Arecibo MSA #0470	83	87	73	20	7	0.5	0.6	15	6
Caguas MSA #1310	77	80	90	10	0	1.3	1.5	20	6
Culebra Non-MSA	93	0	0	0	0	0	0	0	0

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 11% of small loans to businesses originated and purchased by the bank.

(***) Based on 1999 Aggregate Small Business Data only.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Commonwealth: PUERTO RICO				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000			
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Mayaguez MSA #4840	NA	0	0	0	0	0	0	0	0
Ponce MSA #6360	NA	0	0	0	0	0	0	0	0
San Juan MSA #7440	NA	0	0	0	0	0	0	0	0
Limited-Scope:									
Arecibo MSA #0470	NA	0	0	0	0	0	0	0	0
Caguas MSA #1310	NA	0	0	0	0	0	0	0	0
Culebra Non-MSA	NA	0	0	0	0	0	0	0	0

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

(***) Based on 1999 Aggregate Small Farm Data only.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
		Commonwealth: PUERTO RICO				Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000			
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
Mayaguez MSA #4840	4	536	22	40	26	576	3	0	0
Ponce MSA #6360	4	341	26	118	30	459	2	0	0
San Juan MSA #7440	4	19,366	35	411	39	19,777	89	0	0
Limited-Scope:									
Arecibo MSA #0470	4	406	20	29	24	435	2	0	0
Caguas MSA #1310	4	783	27	68	31	851	4	0	0
Culebra Non-MSA	4	10	21	21	25	31	-	0	0

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

(**) "Unfunded Commitments" means legally binding investment commitments that are tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Commonwealth: PUERTO RICO				Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000									
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Mayaguez MSA #4840	2	1	7.7	0	0	100	0	1	0	0	-1	0	0	6.3	11.6	57.3	24.8
Ponce MSA #6360	2	1	7.7	0	100	0	0	1	0	0	0	0	-1	2.9	23.2	33.7	40.2
San Juan MSA #7440	90	8	61.5	37.5	12.5	12.5	37.5	1	0	0	0	0	-1	3.0	28.2	38.1	30.7
Limited-Scope:																	
Arecibo MSA #0470	2	1	7.7	0	0	100	0	1	0	0	-1	0	0	2.5	11.9	77.2	8.4
Caguas MSA #1310	4	1	7.7	0	0	100	0	1	0	0	0	0	0	0	21.2	54.7	24.1
Culebra Non-MSA	<1	1	7.7	0	0	0	100	1	0	0	0	0	0	0	0	0	100

Table 1. Lending Volume

LENDING VOLUME													Territory: VIRGIN ISLANDS		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
VIRGIN ISLANDS	100	135	12,934	10	126	0	0	0	0	145	13,060	100				

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is July 1, 1998 to June 30, 2000.

(***) The evaluation period for Community Development Loans is October 26, 1998 to October 16, 2000.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																	Territory: VIRGIN ISLANDS		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
VIRGIN ISLANDS	0	0	4	2	53	26	43	71	NA	NA	NA	NA	NA	NA	42	100				

(*) Market rank and market share are not available.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	Territory: VIRGIN ISLANDS				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans									
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**								
Full-Scope:																								
VIRGIN ISLANDS	0	0	4	36	53	36	43	28	NA	NA	NA	NA	NA	NA	47	100								

(*) Market rank and market share are not available.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	Territory: VIRGIN ISLANDS				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans									
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**								
Full-Scope:																								
VIRGIN ISLANDS	0	0	4	4	53	39	43	57	NA	NA	NA	NA	NA	NA	46	100								

(*) Market share and market rank are not available.

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES					Territory: VIRGIN ISLANDS				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000							
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
VIRGIN ISLANDS	NA	0	NA	10	NA	70	NA	20	NA	NA	NA	NA	NA	NA	10	100

(*) Market share by geography was not available.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS					Territory: VIRGIN ISLANDS				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000							
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
VIRGIN ISLANDS	NA	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0

(*) Based on 1999 Aggregate Small Farm Data only. Market rank is for all income categories combined.

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

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Territory: VIRGIN ISLANDS					Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000									
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
VIRGIN ISLANDS	19	0	16	7	19	14	46	79	NA	NA	NA	NA	NA	NA	42	100

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Market rank and market share are not available.

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

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Territory: VIRGIN ISLANDS					Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000									
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
VIRGIN ISLANDS	19	15	16	19	19	23	46	43	NA	NA	NA	NA	NA	NA	47	100

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Market rank and market share are not available.

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

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Territory: VIRGIN ISLANDS				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000								
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
VIRGIN ISLANDS	19	2	16	4	19	13	46	80	NA	NA	NA	NA	NA	NA	46	100

(*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by the bank.

(**) Market rank and market share are not available.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Territory: VIRGIN ISLANDS			Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses		
	% of Businesses*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****	
Full-Scope:										
VIRGIN ISLANDS	NA	70	100	0	0	NA	NA	10	100	

(*) Demographic data was not available. Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 30% of small loans to businesses originated and purchased by the bank.

(***) Market Share data was not available.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Territory: VIRGIN ISLANDS		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
VIRGIN ISLANDS	NA	0	0	0	0	0	0	0	0

(*) Demographic data was not available. Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0% of small loans to farms originated and purchased by the bank.

(***) Based on 1999 Aggregate Small Farm Data only.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		State: VIRGIN ISLANDS		Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
VIRGIN ISLANDS	1	2,265	3	100	4	2,365	100	0	0

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

(**) "Unfunded Commitments" means legally binding investment commitments that are tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Territory: VIRGIN ISLANDS				Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000									
MSA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
VIRGIN ISLANDS	100	1	100	0	0	100	0	1	1	0	0	+1	-1	0	10	61	29

Table 1. Lending Volume

LENDING VOLUME													Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
GUAM	100	313	41,759	177	37,480	0	0	6	6,360	496	85,599	100				

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is July 1, 1998 to June 30, 2000.

(***) The evaluation period for Community Development Loans is October 26, 1998 to October 16, 2000.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																	Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
GUAM	0	NM	4	NM	80	NM	16	NM	NA	NA	NA	NA	NA	NA	313	100				

(*) NM: Not Meaningful. There are no low- or moderate-income geographies. Market Rank and Market Share are Not Available.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
GUAM	0	NM	4	NM	80	NM	16	NM	NA	NA	NA	NA	NA	NA	0	0				

(*) NM: Not Meaningful. There are no low- or moderate-income geographies. Market Rank and Market Share are Not Available.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
GUAM	0	NM	4	NM	80	NM	16	NM	NA	NA	NA	NA	NA	NA	0	0				

(*) NM: Not Meaningful.

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																	Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans					
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
GUAM	0	NM	NA	NM	NA	NM	NA	NM	NA	NA	NM	NM	NM	NM	177	100				

(*) NM: Not Meaningful- NA: Not Available

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																	Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans					
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
GUAM	0	0	NA	0	NA	0	NA	0	0	0	0	0	0	0	0	0				

(*) NM: Not Meaningful NA: Not Available

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

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
GUAM	19	4	21	15	17	31	43	44	NA	NA	NA	NA	NA	NA	313	100			

(*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated and purchased by the bank.

(**) Market Rank and Market Share are not available. Guam is a non-MSA and HMDA data is not reported.

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

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
GUAM	19	NA	21	NA	17	NA	43	NA	NA	NA	NA	NA	NA	NA	0	0			

(*) As a percentage of loans with borrower income information available.

(**) Market Rank and Market Share are Not Available.

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

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE																Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
GUAM	19	NA	21	NA	17	NA	43	NA	NA	NA	NA	NA	NA	NA	0	0			

(*) As a percentage of loans with borrower income information available.

(**) Market Rank and Market Share are Not Available.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES										Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses					
	% of Businesses*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****				
Full-Scope:													
GUAM	76	57	57	17	26	NA	NA	177	100				

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 24% of small loans to businesses originated and purchased by the bank.

(***) Not Available

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Territory: GUAM		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
GUAM	NA	0	0	0	0	0	0	0	0

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0% of small loans to farms originated and purchased by the bank.

(***) Based on 1999 Aggregate Small Farm Data only.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Territory: GUAM		Evaluation Period: OCTOBER 16, 1998 TO OCTOBER 26, 2000					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
GUAM	0	0	2	200	2	200	100	0	0

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

(**) "Unfunded Commitments" means legally binding investment commitments that are tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Territory: GUAM				Evaluation Period: OCTOBER 26, 1998 TO OCTOBER 16, 2000									
MSA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population*							
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
GUAM	100	2	100	0	0	100	0	0	0	0	0	0	0	0	16	71	11

(*) 2 percent in geographies that have not been assigned an income classification.