



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2009

Institution: Bank of Baroda
One Park Avenue
New York, NY 10016

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context	3
Institution's Profile	
Assessment Area	
Performance Tests and Assessment Factors	4
Community Development Test	
Discrimination or Other Illegal Practices	
Other Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Bank of Baroda New York branch (“Baroda”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2009.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations of small banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall CRA Rating: "Satisfactory"

Baroda's performance was evaluated according to the community development test for wholesale or limited purpose banking institutions pursuant to Part 76.11 of the General Regulations of the Banking Board. The assessment period covered calendar years of 2007, 2008 and 2009. Baroda is rated "2" indicating a "Satisfactory" record of helping to meet community credit needs. This rating is the same from the prior rating of "2," (Satisfactory) based on the NYSBD Performance Evaluation dated December 31, 2006.

This rating is based on the following factors:

Community Development Activity (Loans, Investments, Services): "Satisfactory"

Community Development Loans: "Satisfactory"

During the evaluation period, Baroda originated \$5.2 million in new community development loans, of which \$5.2 million or 99.4% was new money. This reflected on annualized basis, 0.09% of total assets.

Community Development Qualified Investments: "Satisfactory"

During the evaluation period, Baroda made \$1,191 thousand in new community development investments compared to previous evaluation period of \$212 thousand. The improvement demonstrated reasonable community development investments over the course of the evaluation period.

Community Development Services: "Needs to Improve"

Baroda demonstrated a poor level of community development services over the course of the evaluation period.

Innovative or Complex Practices: "Satisfactory"

The bank demonstrated adequate level of innovative or complex community development practices. .

Responsiveness to Credit and Community Development Needs: "Needs to Improve"

Baroda demonstrated a poor level of responsiveness to credit and community development needs.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution's Profile:

Established in 1908, Bank of Baroda functioned as a provincial bank in India until 1969 when it was nationalized. Since then, Bank of Baroda has expanded all over India and operates a network of 3,100 domestic branches in India and 48 overseas branches. The government of India owns 53.81%, and Life Insurance Corporation of India owns 8.41%. In 1997, it went public and sold 33.8% of its stock on the Mumbai Stock Exchange Ltd. Bank of Baroda is one of the five largest banks in terms of assets in India.

Bank of Baroda New York branch ("Baroda") was chartered by the New York State Banking Department ("NYSBD") in 1978. Baroda's main objective is to maintain a presence and to foster trade between India and the United States. Operations are focused on India-related trade financing and extensions of credit and trade bills to local Indian customers. Although Baroda is Federal Deposit Insurance Corporation ("FDIC") insured, its operations are wholesale in nature. The FDIC designated Baroda as a wholesale institution on October 2, 1997, for Community Reinvestment Act ("CRA") purposes.

As per the Report of Assets and Liabilities (the Call Report or RAL) as of December 31, 2009, filed with the FDIC, Baroda reported total assets of \$1,978 million, of which \$1,309 million were net loans and lease finance receivables, representing 66.2% of total assets. Compared to the previous examination of December 31, 2006, Baroda's assets increased more than three-fold, from \$646.8 million to \$1,978 million. Management cited significant increase in trade business finances between Baroda's clients in the United States and India.

The following summarizes Baroda's loan portfolio, based on RAL Schedule C as of December 31, 2007, 2008 and 2009 Reports:

:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	12/31/2007		12/31/2008		12/31/2009	
	\$000's	%	\$000's	%	\$000's	%
Loans Secured by Real Estate	3,618	0.3	2,093	0.2	1,800	0.1
To Other Commercial Banks in the U.S.	0	0.0	0	0.0	1,199	0.1
To Other Banks in Foreign Countries	628,698	57.8	575,066	67.7	1,048,272	80.1
Commercial Industrial-U.S. addressees	51,677	4.8	74,258	8.7	88,682	6.8
Commercial Industrial Non-U.S. Addressees	403,686	37.1	198,633	23.4	169,402	12.9
Total Gross Loans	1,087,679		850,050		1,309,355	

As illustrated in the above chart, Baroda's primary business is in trade financing, with the majority of its loan portfolio or 80.1% in other banks in foreign countries, followed by commercial and industrial loans to non-U.S. addressees (12.9%) as of December 31, 2009.

There are no known financial or legal impediments that adversely impacted Baroda's ability to meet the credit needs of its community.

Assessment Area:

The assessment area is comprised of the five counties of New York City in their entirety: Bronx, New York, Kings, Queens and Richmond, which are part of the Metropolitan Division ("MD") 35644. The assessment area consists of 2,217 census tracts, of which 326 are low-income, 613 are moderate-income, 663 are middle-income, 557 are upper-income and 58 are zero-income tracts.

The assessment area appears reasonable based upon Baroda's location and its designation as a wholesale institution. There is no evidence that LMI areas are arbitrarily excluded.

Distribution of Assessment Area Census Tracts by Income Level							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI %
New York	9	60	59	24	144	296	40.2
Kings	15	119	297	235	117	783	53.1
Queens	18	12	148	310	185	673	23.8
Bronx	14	132	98	65	46	355	64.8
Richmond	2	3	11	29	65	110	12.7
Total	58	326	613	663	557	2,217	42.4

Demographic & Economic Data

The assessment area had a population of 8 million during the evaluation period. About 11.7% or 938 thousand of the population were over the age of 65 and 21.6% or 1.7 million were under the age of 16.

Of the 1.87 million families, 30.7% were low-income, 16.7% were moderate-income, 17.0% were middle-income and 35.5% were upper-income families. There were 3.022 million households, of which 19.7% had income below the poverty level and 7.5% were on public assistance.

MSA median family income within the assessment area was \$49 thousand. The U.S. Department of Housing and Urban Development estimated median family income for the area was \$65 thousand in 2009.

There were 3.204 million housing units within the assessment area, including 1.3 million

(39.2%) 1- 4 family units and 1.95 million (60.7%) multifamily units. A majority of the area's housing units (65.8%) were rental occupied, while 28.5% were owner occupied. The assessment area had a total of 663 thousand businesses. Of these, 74.7% were businesses with reported revenues of less than or equal to \$1 million, 5.7% reported revenues of more than \$1 million, and 19.7% did not report their revenues. Of all the businesses in the assessment area, 81.8% were businesses with less than fifty employees, while 93.5% operated from a single location. The largest industries in the area were service providers (44.0%), followed by retail trade companies (16.9%) and finance, insurance and real estate businesses (9.5%), while 11.5% of businesses in the assessment area were not classified.

Unemployment Rates: The nation's unemployment rate of 10% is the highest level experienced in decades due to recent nationwide economic downturn. Although the New York State average of 8.4% unemployed was better compared than the national average, two counties in the bank's assessment area, the Bronx and Kings Counties experienced much higher unemployment at 12.2% and 10.1% respectively. New York County averaged an unemployment rate of 9.5%, Queens averaged 8.6% and Richmond averaged 8.4% for the year of 2009.

Assessment Area Unemployment Rate						
Annual Average	NYS	New York	Kings	Queens	Bronx	Richmond
2009	8.4	9.5	10.1	8.6	12.2	8.4
2008	5.3	5.4	5.8	4.9	7.3	4.9
2007	4.5	4.9	5.3	4.3	6.6	4.4

90-Day Pre-Foreclosure Data for New York, Queens, Kings, Bronx, and Richmond Counties.

Governor Paterson signed the Mortgage Foreclosure Act on December 15, 2009, which requires that a pre-foreclosure notice be sent, at least 90 days before the lender commences legal action against the borrower. Between February 13, 2010 and August 31, 2010, 134 thousand 90-day foreclosure notices were mailed to borrowers of New York State ("NYS"). The bank's assessment area residents accounted for 28.6% of the notices. Of the five counties within the assessment area, Queens County residents experienced the highest percentage of filings at 11.3% (15,184) followed by Kings County at 8.2% (11,037), Bronx County at 3.5% (4,639), and Richmond at 3.4% (4,620), while New York County residents accounted for the fewest filings at 2.2% (2,980).

Compared to the statewide pre-foreclosure filings average, as a percentage of all mortgages which is 5.2%, three counties; the Bronx (7.5%), Queens (6.8%) and Kings (6.3%) significantly exceeded the state average and were in the top 10 counties that received the most pre-foreclosure notices, while Richmond (5.3%) was in the middle and New York County was below the average at 2.8%.

Community Information

According to the monthly report on Economic Condition from The City of New York dated July 9, 2010, a promising recovery appears to be underway in the New York City labor market. It has recouped some private jobs by 36 thousand, but still has a high unemployment rate of 9.6%. Office market rents in Manhattan rose to 4% per year since 1988, mostly from midtown rents while downtown lagged. Tourism has benefited from a steady flow of foreign visitors partially due to favorable exchange rates rebounding since the beginning of the economic downturn.

Community Contact

A nonprofit organization specializing in affordable housing was interviewed for this examination. The organization has banking relationships with Baroda since 1999. It expressed that there is always a need for affordable housing in the assessment area. It also commented that there are many other community development service opportunities that Baroda can participate in, e.g., extend more credit to support various affordable housing projects and/or participate on more committee boards, sponsor and/or finance more financial literacy classes in Indian ethnic neighborhoods, and provide assistance in translating some of the financial literacy publications.

PERFORMANCE TEST AND ASSESSMENT FACTORS

The Banking Department evaluates the CRA performance of wholesale banks pursuant to the “community development test,” as provided for in Section 76.11 of the General Regulations of the Banking Board. Performance criteria include (1) the number and amount of community development loans, qualified investments or community development services; (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which investments are not routinely provided by private investors; and (3) the banking institution’s responsiveness to credit and community development needs. In addition, the following factors are also considered in assessing Bank of Baroda’s record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors such as activities to ascertain credit needs; and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The assessment period included calendar years 2007, 2008 and 2009.

Statistics employed in this evaluation were derived from various sources. The demographic data referred to in this report were derived from the 2000 U.S. Census data with the updated median family income figures provided by the U.S. Department of Housing and Urban Development (“HUD”). Business demographic data used in this report were derived from information on US businesses, enhanced by Dun & Bradstreet and updated annually. Call report data that the institution filed with the FDIC were also used in the analysis.

Baroda received a rating of “2” reflecting a Satisfactory record of helping to meet community credit needs at the **prior** NYSBD Performance Evaluation dated December 31, 2006.

Current CRA Rating: “SATISFACTORY”

Community Development Activities: “Satisfactory”

Baroda’s community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering Baroda’s capacity and the need and availability of such opportunities for community development in its assessment area.

During the evaluation period, Baroda originated \$5.2 million in new community development loans and a balance of \$31 thousand from prior period. Additionally, Baroda made \$1.1 million in new community development investments and \$61 thousand in community development grants. These were all assessment area-based community development activities.

Baroda's total community development loans and investments represented an increase of 275.1% when compared to its previous evaluation period. Even though the increase is significant, it is rated only "Satisfactory" in light of Baroda's financial capacity during the assessment period. Baroda's assets as of December 31, 2007, 2008 and 2009, were \$1.16 billion, \$0.95 billion and \$1.98 billion respectively, reflecting a substantial growth when compared to December 31, 2006 bank's assets of \$646.8 million. This growth in assets, as cited by the Baroda's management, was due to a higher volume of trade activities between Baroda's clients in United States and India.

A more detailed description of Baroda's community development activity follows:

Community Development Lending: "Satisfactory"

Baroda increased its community lending compared to the prior evaluation period. Community development loans extended during the evaluation period totaled \$5.2 million, of which \$5.2 million or 99.4% was new money, and reflected on annualized basis, 0.09% of assets.

The chart below summarizes Baroda's community development loan portfolio:

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	2	5,000	1	31
Economic Development	2	200		
Total	4	5,200	1	31

The following are brief descriptions of the community development loans originated during the evaluation period:

Affordable Housing

- Neighborhood Housing Services of New York City ("NHS") - Baroda extended a total of \$5.0 million to NHS, a nonprofit organization specializing in revitalization of affordable housing and providing homeownership education and financial assistance in the assessment area. Two loans totaling \$5.0 million were extended in 2009: a \$3.0 million term loan, as a refinancing facility and a \$2.0 million letter of credit for working capital. Another refinancing facility extended to

NHS from prior period had an outstanding balance of \$31 thousand. Interest on this loan was given back to NHS in the form of a grant in 2007.

Economic Development

- In January 2008, Baroda extended a community development loan, with economic development as its purpose, to a small business shipment and trading corporation. Its office is located in a moderate income tract. Baroda extended \$100 thousand line of credit, renewed in 2009.

Community Development Investments: “Satisfactory”

During the evaluation period, Baroda made \$1,191 thousand in new community development investments compared to previous evaluation period of \$212 thousand. The improvement demonstrated reasonable community development investments over the course of the evaluation period.

The chart below summarizes Baroda’s community development investments and grants:

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Economic Development	9	\$ 1,130		
Total	9	\$ 1,130	0	0
CD Grants	# of Grants	\$000	<i>Not Applicable</i>	
Affordable Housing	3	\$ 12		
Community Services	5	\$ 48		
Total	8	\$ 60		

The following are brief descriptions of these investments and grants:

Economic Development

- *Carver Federal Savings Bank (“Carver”)* – During the assessment period, Baroda maintained three certificates of deposits in Carver; one renewed annually and two renewed quarterly, totaling \$780 thousand. Carver is a designated Community Development Financial Institution (“CDFI”) that supports economic development in the Bronx by providing capital, products and other financial services to small businesses and non-profit organizations.
- *New York National Bank (“NYB”)* – NYB is also a designated CDFI supporting economic development that provides banking services to residents and small businesses specifically in the Bronx area. Hudson Valley Bank bought NYB on

December 2009, and now operates as a division of Hudson Valley Bank. In 2009, Baroda purchased a \$350 thousand certificate of deposit.

Affordable Housing

- NHS received three grants totaling \$12.5 thousand. On one occasion, Baroda employed an innovative practice by donating back the interest earned on one of the organization's loans.

Community Services

- Citymeals-on-Wheels received three grants from Baroda totaling \$47.0 thousand. Citymeals-on-Wheels is a non-profit organization that funds 30 community-based agencies that bring weekend, holiday and emergency meals to homebound elderly citizens in the assessment area.
- Baroda made a \$1 thousand donation to Karuna Charities New York Inc., a charitable organization that helps orphanages, homes for the elderly, soup kitchens, and shelters for battered women.

Community Development Services: "Needs to Improve"

Baroda demonstrated a poor level of community development services over the course of the evaluation period. Baroda's management participated in the celebrations of ethnic and cultural festivals held in the towns of Edison and Somerset, New Jersey, where management promoted financial education and the bank's products, including information about small business loans to LMI recipients.

Innovative or Complex Practices: "Satisfactory"

The bank demonstrated adequate level of innovative or complex community development practices. Baroda exhibited innovative practice in one loan activity with a non-profit organization, a third-party lender and a certified community development fund institution ("CDFI"). This activity was innovative because interest earned on one of the loans was donated back to NHS in the form of grants.

Responsiveness to Credit and Community Development Needs: "Needs to Improve"

A nonprofit organization specializing in affordable housing in the assessment area was interviewed as a community contact at this examination. This organization identified a need for more community development lending and community development services.

Baroda demonstrated a poor level of responsiveness to credit and community development needs. Although Baroda is an approved institution under the SBA Express Lending Program, Baroda utilized this program on only two qualified community development loans during the evaluation period.

Additional Factors

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

Baroda's CRA activities and performance were reviewed and monitored by the New York Performance Monitoring Committee ("NYPMC") which comprises of assistant general managers, chief managers, managers and sub-managers of the branch. The CRA officer of the bank is a member of NYPMC. The committee issues a report on its review which is then submitted to the bank's Operational Risk Management Committee in India for approval. The most recent report review conducted during the examination period was reviewed on March 31, 2009. No new recommendations were included in this report.

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

NYSBD noted no practices that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

NYSBD noted no evidence of prohibited discriminatory or other illegal practices.

The banking institution's record of opening and closing offices and providing services at offices

Baroda has not opened or closed any branches since the prior evaluation. As a wholesale bank, Baroda has limited retail services at its sole office in midtown Manhattan.

Process Factors

Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

Baroda's contact with the public is limited due to the very nature of its business, which is wholesale and focuses on international trade, specifically, between its clients in United States and India. However, Baroda ascertains the credit needs of its community through its association with NHS and with other nonprofit, Indian ethnic-based civic organizations such as Indo-American Festival Inc., LAD Vanik Samaj of North America and Indo-American Chamber of Commerce in New York City. It also ascertains the credit needs of its community through its long standing relationships with its clients.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

Baroda does not have a specific policy for marketing its special credit-related programs and services. However, Baroda sponsors advertising spaces in community and ethnic - based civic publications, local schools and temples, and faith based organizations, various community centers, and through purchases of advertising space in local banking and business journals. Some of these organizations are: Hindu Center Inc., New York, Bharatiya Vidya Bhavan, USA, NRI Today and Karuna Charities.

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

None.

GLOSSARY

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI

-
- areas or to LMI individuals in order to promote community development;
 - Organizations engaged in affordable housing rehabilitation and construction;
 - Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
 - Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
 - Projects eligible for low-income housing tax credits;
 - State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
 - Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
 - Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;

-
- ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Individuals/Persons

Those individuals, whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

Wholesale Institution

The term “wholesale institution” means a banking institution that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale banking institution by the appropriate Federal regulatory authority is in effect. When evaluating a wholesale institution’s CRA performance, the Banking Department looks primarily at its record of helping to meet the credit needs of its assessment are through community development lending, qualified investments and community development services.