

PUBLIC DISCLOSURE

March 10, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BPD International Bank
02-36-5063

152 West 57th Street
Carnegie Hall Tower, 5th Floor
New York, New York 10019

Federal Reserve Bank of New York

33 Liberty Street

New York, New York 10045-0001

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.
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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 Community Reinvestment Act (CRA) performance of **BPD International** ("BPD") prepared by the **Federal Reserve Bank of New York**, on behalf of the Board of Governors of the Federal Reserve System, the institution's supervisory agency, as of March 10, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.*

INSTITUTION'S CRA RATING: This institution is rated "Outstanding."

Over the examination period of August 1, 1995 through December 31, 1996, BPD's performance with regard to the CRA, is assessed as "Outstanding." This determination is based on the following performance criteria: 1) a strong loan-to-deposit ratio; 2) a majority of loans in BPD's assessment area; 3) a reasonable distribution of loans to individuals of different income levels (including low- and moderate-income individuals); and 4) a strong geographic distribution of loans within the bank's assessment area.

The following table indicates the performance level of BPD International Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	BPD INTERNATIONAL'S PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio	X		
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes		X	
Geographic Distribution of Loans	X		
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

BPD International Bank ("BPD") is a single office commercial bank conducting primarily international and domestic trade activities, much of which centers around the Dominican Republic. BPD is located in midtown Manhattan at 152 West 57th Street and is a wholly owned subsidiary of Grupo Financiero Popular, S.A., Santa Domingo, Dominican Republic. Over the last four quarters of 1996, BPD reported average total assets of \$102.4 million, deposits of \$85.4 million, and loans of \$59.6 million. The majority (75 percent) of the bank's deposits come from the Dominican Republic and Central and South America. BPD has no financial or legal impediments which would prevent or impede its ability to serve the credit needs of its assessment area.

BPD extends the following types of credit: indirect automobile loans, demand and time loans, trade related letters of credit, revolving credit for overdraft protection, import/export financing, automobile leasing, and letters of credit financing. BPD does not offer residential, small business, or government financing. BPD's international business is primarily trade financing while the bank's domestic portfolio consists almost entirely of indirect automobile and motorcycle loans.

The bank offers teller services along with a proprietary automated teller machine ("ATM") facility in the lobby of the bank. In addition to savings, money market, and NOW accounts, BPD offers eligible customers "basic banking" accounts which require an opening balance of \$25. There is no minimum monthly balance requirements for these accounts. BPD offers an ATM card which enables customers to access their accounts through other widely accepted ATM networks.

DESCRIPTION OF THE ASSESSMENT AREA

The following demographic and economic information was obtained from publicly available sources that include the United States Department of Commerce's Bureau of the Census, the United States Department of Labor, and the New York State Department of Labor, Division of Research and Statistics.

In August 1995, BPD expanded its assessment area to include all five counties of New York City: Bronx, Kings (Brooklyn), Queens, New York (Manhattan), and Richmond (Staten Island) which is a portion of Metropolitan Statistical Area ("MSA") 5600. The total population of New York City is 7.3 million. The 1990 Census Bureau's median family income for New York City is \$34,360, with 28 percent, 16 percent, 19 percent and 37 percent of the families, respectively, being classified as low, moderate, middle and upper income. The 1996 HUD-adjusted median family income is \$45,000 for the New York MSA. In 1990, the family median income for MSA 5600 was \$37,515. The population living in low- to moderate-income census tracts comprises 38 percent of the population. Low- to moderate-income tracts account for 36 percent of the total 2,216 tracts in the assessment area.

For the period 1990-1994, the New York City economy shifted out of manufacturing sector and into the services, finance, insurance, and real estate sectors. In January 1997, the overall unemployment rate was 10 percent. The unemployment rate increased in New York City from 9 percent recorded in January 1996.

Bronx County has a total population of 1.2 million. The median family income in Bronx County is \$25,479, with 39 percent, 18 percent, 18 percent and 25 percent being classified as low, moderate, middle and upper income, respectively. Bronx County households are the poorest of all households in the assessment area with 63 percent of the population living in low- and moderate-income census tracts.

Kings County (Brooklyn) is the largest of the five counties in BPD's assessment area with a total population of 2.3 million. The median family income is \$30,033, with 32 percent, 18 percent, 19 percent and 31 percent being classified as low, moderate, middle and upper income, respectively. Low- and moderate-income census tracts account for 43 percent of all census tracts in Kings County. The

population living in these low- and moderate-income census tracts comprises 49 percent of the total population.

Queens County has a total population of 2.0 million people. The median family income is \$40,426, with 18 percent, 16 percent, 22 percent and 44 percent being classified as low, moderate, middle and upper income respectively. The population living in low- and moderate-income census tracts comprises 16 percent of the total population.

New York County (Manhattan) has a total population of 1.5 million with 21 percent of all persons living below the poverty line. The median family income is \$36,831, with 29 percent, 14 percent, 14 percent and 43 percent being classified as low, moderate, middle and upper income. The population living in low- and moderate-income census tracts comprises 45 percent of the total population.

Richmond County (Staten Island) is the least populated and most affluent county in the assessment area with a total population of 378,977. Richmond County is primarily a middle and upper income county. The median family income in Richmond County is \$50,734, with 13 percent, 11 percent, 19 percent and 58 percent being classified as low, moderate, middle-and upper-income, respectively. The population living in low- and moderate-income census tracts comprises 6 percent of the total population.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The CRA examination of BPD covered the period from August 1, 1995 through December 31, 1996. The CRA performance of the bank is "Outstanding." This rating is based on the assessment of the bank's core performance criteria.

Loan-To-Deposit Ratio

For the four quarters ending September 30, 1996, BPD's average loan-to-deposit ratio was 70 percent. Among all institutions in its peer

group, BPD's loan-to-deposit ratio was the highest. The peer group's average loan-to-deposit ratio was 43 percent.

BPD also engaged in significant level community development lending. Total community development dollars committed during the examination period was \$610 thousand. BPD made a \$200 thousand commitment and a \$10 thousand operating grant to Neighborhood Housing Services.

Other community development initiatives include a \$100 thousand line of credit to the Regional Economic Development Assistance Corp. to facilitate a mini-loan program for small businesses in New York City; a \$100 thousand loan to the National Federation of Community Development Credit Unions to be redeposited in community development credit unions throughout New York City; and two \$100 thousand certificates of deposit at the minority-owned New York National Bank and at the Community Capital Bank. The New York National Bank is located in the South Bronx and focuses its lending efforts in low- and moderate-income areas and to minority-owned businesses. The Community Capital Bank provides capital to small community-based enterprises.

Lending In The Assessment Area

For this examination, a sample of consumer loans, primarily indirect automobile loans, made between August 1, 1995 and December 31, 1996 were analyzed to determine the geographic distribution of BPD's consumer loans. The bank does not offer residential or small business financing. Of the 172 loans sampled, 83 percent were made to borrowers located within the bank's assessment area. This level of performance exceeds standards for satisfactory performance.

Lending To Borrowers Of Different Income Levels

**Distribution of the Loans Within the Assessment Area by
 Income Level of Borrower
 August 1995 through December 1996**

	Consumer
Low Income <i>Less Than 50% of the Median Income</i>	
Number of Loans	12
Percentage	8%
Total Amount of Loans	\$74,937
Percentage	7%
Moderate Income <i>At least 50 % and less than 80% of Median Income</i>	
Number of Loans	48
Percentage	34%
Total Amount of Loans	\$298,858
Percentage	26%
Middle Income <i>At least 80 % and less than 120% of Median Income</i>	
Number of Loans	48
Percentage	34%
Total Amount of Loans	\$369,112
Percentage	33%
Upper Income <i>120 % or more of Median Income</i>	
Number of Loans	34
Percentage	24%
Total Amount of Loans	\$385,131
Percentage	34%

BPD's record of consumer lending to borrowers of different income levels is reasonable. Overall, loans to low- and moderate-income borrowers represent 42 percent of the loans made and compare favorably to the demographics of the assessment area which show low- and moderate-income families comprise 44 percent of the population. However, loans made to low-income borrowers only represent 8 percent of the loans made. Low-income families represent 28% of families within the assessment area. The sample indicated that lending to people of middle and upper income represented 34 percent and 24 percent, respectively of total loans. Within the assessment area these two groups comprise 19 percent and 37 percent, respectively.

Geographic Distribution Of Loans

BPDs geographic distribution of consumer lending within its assessment area is strong. Out of the 142 sampled consumer loans originated within the assessment area, 40 percent were in Queens, 30 percent in Brooklyn, 17 percent in the Bronx, 8 percent in Staten Island and 5 percent in Manhattan. Of the loans sampled, 13 percent and 29 percent were made to borrowers in low, and moderate income tracts, respectively. These results closely mirror the assessment area's demographics which show 16.0 percent and 22.0 percent, respectively of these tracts classified as low- and moderate-income. Lending to borrowers residing in middle and upper tracts was 46 percent and 21 percent, respectively of total loans. The assessment area is comprised of 33.8 percent and 28.2 percent of such tracts. Low- and moderate-income neighborhoods where loans were made include: Sunset Park, East New York and Flatbush in Brooklyn; Elmhurst and Flushing in Queens; Mott Haven, Melrose, Tremont and Hunts Point in the Bronx; Harlem in Manhattan; and St. George in Staten Island.

Response To Complaints

No CRA complaints have been filed at BPD or at the Federal Reserve Bank of New York since the prior examination.

BPD is in compliance with the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), and relevant agency regulations

pertaining to nondiscriminatory treatment of credit applicants.
There is one Regulation B violation that is technical in nature.