

PUBLIC DISCLOSURE

May 19, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**THE BANK OF NEW YORK
RSSD No. 541101**

**One Wall Street
New York, New York 10286**

FEDERAL RESERVE BANK OF NEW YORK

**33 LIBERTY STREET
NEW YORK, NEW YORK 10045**

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: The Bank of New York is rated **“SATISFACTORY.”**

The following table indicates the performance level of the institution with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	<u>THE BANK OF NEW YORK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			

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

The major factors supporting the institution’s rating follow:

- The total volume of HMDA-related and small business loans showed adequate responsiveness to credit needs in the bank’s assessment areas.
- The geographic distribution of lending was adequate.
- The overall distribution of loans among individuals of different income levels and businesses of different revenue sizes was good.
- The bank had an excellent level of community development lending activity.
- The level of community development investments was excellent.
- Retail delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s assessment areas.

INSTITUTION

DESCRIPTION OF INSTITUTION

The Bank of New York (“BNY”) is the principal subsidiary of The Bank of New York Company, Inc. (“BNY Co.”), a New York State-based bank holding company. As of December 31, 2002, BNY Co. had \$78 billion in assets, making it the 18th largest bank holding company in the U.S. in terms of total assets.

Headquartered in New York, New York, BNY is a full-service commercial bank with \$75 billion in assets as of December 31, 2002. Based on total assets, it is the 13th largest bank in the U.S. Net loans and leases of \$32 billion represent 43% of the bank’s assets. BNY provides financial services to corporations and individuals, and its business lines include:

- Securities servicing and cash processing to both institutional issuers and investors;
- Trust, investment management and private banking;
- Corporate banking, providing lending services to domestic and international commercial enterprises;
- Retail banking, including consumer lending, residential mortgage lending, and retail deposit services offered by BNY and its subsidiary BNY Mortgage Company, Inc., and
- Financial market services, including trading, investing and leasing activities, and U.S. Treasury services.

As of December 31, 2002, BNY’s deposits totaled \$56 billion, consisting of \$33 billion in domestic deposits and \$23 billion in foreign deposits. There are no financial or legal impediments that would prevent BNY from fulfilling its responsibilities under CRA.

Based on data supplied by the Federal Deposit Insurance Corporation (“FDIC”) for FDIC-insured institutions operating in each state as of June 30, 2002, BNY has a significant market share of domestic deposits in New York and New Jersey. Ranked by total domestic deposits, BNY is the fourth largest bank in New York State, with a 5% deposit share. BNY is the 11th largest bank in New Jersey with a deposit share of almost 2%. The bank’s domestic deposit share is less significant in Connecticut, where BNY ranked 20th with a deposit share of less than 1%.

The bank’s domestic deposits are obtained through a sizable network of 345 branch offices. Branches are located in 23 counties throughout three states in the New York City metropolitan area as well as 2 adjacent counties (Sullivan and Ulster) northwest of the metropolitan area. BNY operates 244 branches in southern New York State, 93 in northern New Jersey, and 8 in southern Connecticut.

The bank provides loans reported under the Home Mortgage Disclosure Act (“HMDA”) through

its subsidiary, BNY Mortgage Company, LLC. BNY Mortgage is a partnership owned by BNY (49%) and Alliance Mortgage Company (51%), a Florida-based mortgage company. The partnership provides financing for one- to four-family residential properties, condominiums and cooperative apartments.

BNY's previous CRA examination was dated May 21, 2001, at which time the bank received a "satisfactory" rating.

BNY has two assessment areas. Consolidated Metropolitan Statistical Area ("CMSA") 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) is the largest assessment area, including portions of New York, New Jersey and Connecticut. For a complete description of this assessment area, see page BB10. The bank's New York State assessment area includes only portions of non-MSA Sullivan and Ulster Counties in New York State, which are not part of the CMSA assessment area. For a complete description of this assessment area, see page BB23.

The bank's assessment areas have not changed since the previous examination. They are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude low- and moderate-income ("LMI") geographies.

SCOPE OF EXAMINATION

A full review of BNY's performance was conducted for the bank's two assessment areas using the Federal Financial Institutions Examination Council's *Interagency Procedures and Guidelines for Large Retail Institutions*. The evaluation covers BNY's CRA performance from January 1, 2001, through December 31, 2002.

Loan products analyzed include home purchase, refinance, small business and other loans qualifying as community development lending. The mortgage loans included in the evaluation were reported under HMDA. The small business loans were reported under CRA. Because of low volumes as a result of the bank's retail lending strategies, home improvement and multifamily loans were not included in the loan analysis. In addition, investments, grants and services were evaluated as to whether they qualified as community development activity.

For the evaluation of lending activity, loan originations were compared with past performance, the market aggregate and similarly situated institutions. For the comparison with the market aggregate, large credit card lenders were excluded from the small business loan data because of the highly specialized nature of their business.

For evaluation of the geographic distribution of loans, geographies were classified on the basis of the Census Bureau's 1990 income data. Performance was rated based on penetration in LMI geographies. For the analysis, the performance of HMDA-related lending was compared with the distribution of owner-occupied units reported in the Census Bureau's 1990 data. Business lending distribution was compared with the presence of businesses in LMI geographies as determined by 2000 Dun and Bradstreet data.

For the evaluation of borrower distribution, borrower income levels for HMDA-related loans

were determined based on 2001 and 2002 estimated median family income data from the U.S. Department of Housing and Urban Development (“HUD”). The distribution of loans to LMI borrowers was compared with the Census Bureau’s 1990 income data showing the distribution of LMI families. Dun and Bradstreet information (2000) was used to analyze business revenue size.

The performance in lending to both low- and moderate-income borrowers was analyzed separately. Overall performance was rated with an emphasis on lending to moderate-income borrowers, given the performance context issues concerning lending to low-income borrowers.

HMDA-related and small business lending performance was compared with the 2001 aggregate data of all HMDA and small business lenders in BNY’s assessment areas, the latest available data during the examination period.

Conclusions for the CMSA assessment area were weighted heavily when deriving overall ratings because 99% of the bank’s retail lending and more than 99% of deposits originated in the CMSA. BNY’s performance in four primary metropolitan statistical areas (“PMSAs”) within CMSA 5602, particularly PMSA 5600 (New York, NY), significantly influenced overall conclusions regarding the CMSA 5602 rating. A significant portion of the bank’s demographics and business presence is located in PMSA 5380 (Nassau-Suffolk, NY), PMSA 5640 (Newark, NJ) and PMSA 0875 (Bergen-Passaic, NJ).

The four PMSAs (“primary PMSAs”) contain 81% of the assessment area population, 81% of LMI families, 81% of the bank’s retail branch network, and 92% of retail branch deposits. These primary PMSAs also represent 85% of home purchase originations, 82% of refinance originations (“refinancings”), and 84% of small business originations made during the examination period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BNY’s overall lending performance in meeting the credit needs of its assessment areas is rated “low satisfactory.”

The tables in Appendix D starting on page BB32 contain the facts and data used to evaluate the bank’s lending performance in the two assessment areas. Lending activity is depicted in the tables labeled number 1, geographic distribution in Tables 2-6, and borrower characteristics are depicted in Tables 8-11.

Lending Activity: BNY’s responsiveness to the retail credit needs of its assessment areas was adequate given the bank’s capacity to meet the credit needs of the community and overall market conditions. This was determined through an analysis of the volume of HMDA-related and small business loans originated during the examination period. Lending activity was found to be adequate in both CMSA 5602 and the New York State (non-MSA) assessment area.

As shown in Exhibit 1 below, BNY and its mortgage affiliate reported originating or purchasing 34,535 HMDA-related and small business loans, totaling \$4.4 billion. The bank does not purchase

loans from non-affiliate companies.

EXHIBIT 1				
Summary of Lending Activity				
January 1, 2001 – December 31, 2002				
Loan Type	#	%	\$('000s)	%
HMDA Home Purchase	11,947	35	2,053,894	46
HMDA Refinancings	7,822	23	1,547,421	35
HMDA Home Improvement	468	1	4,650	0
HMDA Multifamily	49	0	55,628	1
Total HMDA-related	20,286	59	3,661,593	82
Total Small Business	14,249	41	775,695	18
TOTAL LOANS	34,535	100	\$4,437,288	100

Note: This table includes bank and affiliate loans originated or purchased in the bank's assessment area.

Assessment Area Concentration: A substantial majority of BNY's loans were extended in the bank's assessment areas. Specifically, 94% of both the number and dollar volume of HMDA-related loans were in the bank's assessment areas. In addition, 99% of the number and dollar volume of small business loans were in the bank's assessment areas.

EXHIBIT 2								
Lending Inside and Outside the Assessment Area								
January 1, 2001 – December 31, 2002								
	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Home Purchase	2,840	96	414,338	90	121	4	45,522	10
Refinancing	1,637	91	412,464	87	168	9	60,849	13
Home Improvement	98	97	1,453	96	3	3	55	4
Multifamily	49	98	905,273	100	1	2	2,831	0
Total HMDA-related	4,624	94	1,733,528	94	293	6	109,257	6
Total Small Business	14,249	99	775,695	99	140	1	10,492	1
TOTAL LOANS	18,873	98	\$2,509,223	95	433	2	\$119,749	5

Note: This table includes only loans originated or purchased by the bank. Affiliate loans are not included.

In the bank's primary assessment areas, overall originations of HMDA-related and small business loans increased substantially since the previous examination when lending activity was at a poor level. Aggregate lending also increased significantly, but at a lower rate than BNY's increase.

Refinancings took the sharpest percentage upturn, increasing 405% since the previous examination. From 2000 to 2001, the number of refinancings increased 670%, while aggregate refinance lending

increased 224%. From 2001 to 2002, BNY's refinance lending increased 95%, and aggregate lending increased 55%.

Home purchase originations increased 70% since the previous examination. From 2000 to 2001, home purchase lending increased 57%, while aggregate lending increased only 2%. From 2001 to 2002, home purchase lending increased 14% and aggregate lending increased 5%.

Small business lending increased 31% since the previous examination, including automatic small business line increases. As these small business line increases were not customer-initiated, they are not considered responsive to community credit needs. If automatic line increases are excluded from both examination periods, small business lending increased 19% since the previous examination. Excluding the automatic increases, small business lending volume increased 28% from 2000 to 2001, while aggregate lending increased 29%.

Geographic and Borrower Distribution: The geographic distribution of HMDA-related and small business loans reflected adequate loan penetration in LMI geographies. Certain urban LMI portions of the CMSA assessment area had conspicuous gaps in HMDA-related and small business lending. Prior examinations also identified similar lending gaps.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. The evaluation of HMDA-related loan performance takes into account the disproportionately high housing prices in comparison with income levels, making homeownership very difficult for LMI borrowers, particularly low-income borrowers.

Community Development Lending: BNY's community development lending performance was excellent. The bank originated 112 community development loans totaling nearly \$401 million and 9 letters of credit totaling \$97 million. Nearly three-quarters of lending occurred in the PMSA 5600 (New York, NY) portion of the assessment area.

Community development loans were responsive to assessment area needs. Of total community development loan dollars, 53%, or \$212 million, were directed to affordable housing activity, financing more than 6,500 housing units. Another 34% of community development lending dollars or \$137 million were directed to activities that revitalize and stabilize LMI geographies. Community services made up 8% or \$32 million of community development loans. The remaining \$20 million or 5% targeted economic development activity.

INVESTMENT TEST

BNY's investment performance is rated "outstanding." Investments exhibited excellent responsiveness to the credit and community development needs in the bank's assessment areas. Overall, nearly 100% of investments were in CMSA 5602.

Overall, the volume of qualified investments totaled \$240 million, which includes \$188 million or 78% in new investments since the previous examination. Most investments (\$237 million or 99%) represented low-income housing tax credits ("LIHTCs"), which help provide affordable rental housing, an important assessment area need.

Qualified investments were concentrated in PMSA 5600 (New York, NY), where activity totaled over \$105 million or 44% of total investments in the combined assessment areas.

In addition, BNY made one \$4 million investment for an affordable housing project outside the assessment area in New York State.

SERVICE TEST

BNY's performance under the service test is rated "low satisfactory." The overall retail branch distribution is reasonably accessible to geographies and individuals of different income levels in the assessment area. However, some portions of the assessment area, particularly urban LMI areas of PMSA 5600, are inaccessible to the branch network. Branches located in non-LMI census tracts but adjacent to LMI geographies were considered in the branch analysis. For details, see Table 15 on page BB43.

BNY's record of opening, closing and consolidating branches did not adversely affect the accessibility of the bank's delivery systems, particularly in LMI geographies. Business hours are reasonable and do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies. Extended business hours in the evening and on weekends are regularly provided.

BNY uses some alternative delivery systems such as a network of automated teller machines ("ATMs"). Other alternative delivery services include:

- Internet and telephone banking,
- A wholesale mortgage broker network, and
- Pay Plus, an employer-sponsored program offering an ATM card to employees of participating corporations that have a commercial relationship with the bank.

Community Development Services: Overall, BNY provided a relatively high level of community development services. Most of the services were in PMSA 5600 within the CMSA 5602 assessment area.

BNY conducted and participated in seminars about first-time home buying and anti-predatory

lending, provided training to housing counselors at community development organizations, and provided financial literacy training to LMI children and adults. Bank officers served on various boards and committees of community groups serving the needs of LMI persons, LMI areas and small businesses.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No credit practices violating the substantive provisions of the antidiscrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B) and the Fair Housing Act, were identified that would have an impact on BNY's CRA rating.

MULTISTATE METROPOLITAN AREA

(FULL REVIEW)

CMSA 5602 (NEW YORK-NORTHERN NJ-LONG ISLAND, NY-NJ-CT-PA)

CRA RATING FOR CMSA 5602¹: “SATISFACTORY.”

The lending test is rated: Low satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Low satisfactory.

Major factors supporting the rating include:

- Adequate responsiveness to assessment area credit needs;
- Adequate geographic distribution of loans in the bank’s assessment area;
- Good distribution of loans among borrowers of different income levels and businesses of different sizes;
- An excellent level of community development loans and letters of credit;
- An excellent level of qualified investments; and
- Reasonably accessible delivery systems to geographies and individuals of different income levels.

SCOPE OF EXAMINATION

A full review of BNY’s performance in the CMSA 5602 assessment area was conducted. As described in the overall scope on page BB3, a significant portion of the bank’s loans and deposits was concentrated in four PMSAs: PMSA 5600 (New York, NY), PMSA 5380 (Nassau-Suffolk, NY), PMSA 5640 (Newark, NJ), and PMSA 0875 (Bergen-Passaic, NJ). These four primary PMSAs drove the performance in the CMSA.

Within the CMSA, performance in PMSA 5600 (New York, NY) is most significant as it contains 48% of the population, 61% of LMI tracts, 74% of branch deposits and 36% of retail branches. During the examination period, 59% of the home purchase loans, 41% of refinancings and 45% of small business loans were originated to borrowers in PMSA 5600.

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

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 5602

CMSA 5602 includes the New York metropolitan area encompassing southern New York, western Connecticut and northeastern New Jersey. BNY's assessment area in the CMSA includes portions of all three states as follows:

NEW YORK

- PMSA 5600 (New York, NY): Bronx, Kings, Queens, New York, Putnam, Rockland and Westchester Counties.
- PMSA 5380 (Nassau-Suffolk, NY): Nassau and Suffolk Counties.
- PMSA 5660 (Newburgh, NY-PA): Orange County.
- PMSA 2281 (Dutchess County, NY): Dutchess County.

NEW JERSEY

- PMSA 5640 (Newark, NJ): Essex, Union, Morris and Sussex Counties, and northeastern portions of Warren County.
- PMSA 0875 (Bergen-Passaic, NJ): Bergen and Passaic Counties.
- PMSA 5190 (Monmouth-Ocean, NJ): Monmouth County and northern portions of Ocean County.
- PMSA 5015 (Middlesex-Somerset-Hunterdon, NJ): Middlesex County.
- PMSA 3640 (Jersey City, NJ): Hudson County.

CONNECTICUT

- PMSA 8040 (Stamford-Norwalk, CT): Southwestern portions of Fairfield County, including the municipalities of Greenwich and Stamford.
- PMSA 1160 (Bridgeport, CT): Southern portions of Fairfield County, including the city of Fairfield.

The vast majority of the bank's retail operations and CRA-related lending activity is within the CMSA, making the CMSA the driving force in the bank's overall rating. The CMSA contains 99% of the total assessment areas' population, 99% of the branches, more than 99% of branch deposits, and 99% of HMDA-related and small business loans.

BNY's performance in the CMSA was evaluated in terms of the business and demographic context in which the bank operates. The CMSA is a very competitive financial marketplace where many non-financial institution lenders compete with local, multistate and multinational banks. BNY's main competitors are JP Morgan Chase Bank, Citibank, HSBC Bank USA and Fleet National

Bank.

According to FDIC, BNY has a 5.09% deposit market share in the CMSA assessment area as of June 30, 2001, making it the fourth largest institution in the area in terms of deposit dollars. HMDA and small business data for 2001 reveal that in terms of origination dollars in the CMSA assessment area, BNY has a 1.7% market share for home purchase loans, .7% market share for refinancings, and 2.6% market share for small business loans.

PERFORMANCE CONTEXT

According to the 1990 Census, the population of the assessment area totals 17 million, with 8 million residing in PMSA 5600 (New York, NY).

During the 1990s, the CMSA population increased 17%. One cause of the growth was immigration. Overall, 24% of CMSA residents were born outside the U.S. The 2000 Census shows that 2.1 million people moved to the CMSA between 1990 and 2000. Of those, over 1 million came from Latin America, 583 thousand from Asia, and 373 thousand from Europe.

Recent immigrants may have limited or no credit histories, different beliefs about borrowing, and language differences. They also may need financial literacy education. These factors may be barriers to meeting the credit needs of the community.

In addition to a diverse and growing population, the CMSA's large number of LMI families and high poverty rates (particularly in the urban areas) combine with high housing prices and low homeownership rates to create an acute shortage of affordable housing.

Affordable mortgage programs are needed, and rental properties that LMI population can afford need to be developed. Community contacts also spoke of the need for flexible lending programs and loans for affordable rental housing. In addition, they stated that a lack of Section 8 certificates and other subsidies has made it difficult to build housing LMI families can afford.

The economy of the New York metropolitan area declined following its historic expansion in the 1990s. Early in the BNY examination period, downturns in the dot-com sector and the stock market caused thousands of layoffs. The September 11, 2001, terrorist attacks intensified the decline, and many lower Manhattan businesses, particularly those in the securities industry, moved to Westchester, New Jersey, Long Island and Connecticut. The impact was distributed throughout the assessment area as many workers were displaced and job losses began to affect the region. Economic development programs and loans to small businesses and nonprofit groups are needed.

EXHIBIT 3 Assessment Area Demographics CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	427	9	351,147	8	142,784	41	928,391	22
Moderate-income	803	18	788,245	19	129,099	16	737,102	17
Middle-income	1,884	42	1,893,131	44	100,294	5	930,048	22
Upper-income	1,267	28	1,257,439	29	30,447	2	1,694,421	39
NA	149	3	0	0	0	0	0	0
Total Assessment Area	4,530	100	4,289,962	100	402,624	9	4,289,962	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacancy		
	#	#	%	%	#	%	#	%
Low-income	529,999	40,630	1	8	455,920	86	33,449	6
Moderate-income	1,280,991	349,836	11	27	826,625	65	104,530	8
Middle-income	2,831,933	1,505,161	49	53	1,156,423	41	170,349	6
Upper-income	1,998,836	1,188,771	39	60	688,922	35	121,143	6
NA	1,464	90	0	6	935	64	439	30
Total Assessment Area	6,643,223	3,084,488	100	46	3,128,825	47	429,910	7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	39,942	5	32,515	5	4,737	5	2,690	6
Moderate-income	121,224	15	99,599	15	13,811	16	7,814	17
Middle-income	323,550	41	272,406	41	32,573	37	18,571	41
Upper-income	297,290	38	246,742	38	34,999	39	15,549	35
Tract not reported	8,900	1	6,137	1	2,355	3	408	1
Total Assessment Area	790,906	100	657,399	100	88,475	100	45,032	100
	Percentage of Total Businesses:			83		11		6

NEW YORK

Demographic Characteristics

New York State makes up 67% of the CMSA assessment area population. According to the 1990 Census, the population of this portion of the assessment area totals over 11 million. The largest population, 8 million, is in PMSA 5600. Overall 27% of geographies are LMI. Over 31% of PMSA 5600 geographies are LMI, mainly in Bronx County.

Income Characteristics

The 2002 and 2001 HUD-adjusted median family incomes for the PMSAs in the New York portion of the CMSA 5602 assessment area are shown in the accompanying table. The 2000 Census reveals the New York PMSA has a significantly lower median family income than the CMSA as a whole and a significantly higher proportion of families below the poverty level.

HUD MEDIAN FAMILY INCOME		
PMSA	2002	2001
5600 (New York, NY)	\$62,800	\$59,100
5380 (Nassau-Suffolk, NY)	\$83,000	\$78,700
5660 (Newburgh, NY-PA)	\$58,700	\$55,800
2281 (Dutchess County, NY)	\$68,100	\$63,400

The CMSA has a median family income of \$60,254, and 10% of families live below the poverty level. PMSA 5600 (New York, NY) has a median family income of \$46,471, and almost 17% of families subsist below the poverty level. Low incomes and poverty are concentrated in the New York City portion of the PMSA.

Housing Characteristics

According to the 1990 Census, the New York portion of the CMSA 5602 assessment area contains 4.4 million housing units, of which 41% are owner-occupied. In LMI census tracts, only 16% of the housing units are owner-occupied, limiting homeownership opportunities.

The 2000 Census shows that homeownership rates are highest in the suburban PMSAs, as high as 75% in PMSA 5380 (Nassau-Suffolk, NY). In contrast, PMSA 5600 has a lesser proportion of owner-occupied homes, with the lowest rates in New York City. Low rates of homeownership tend to limit mortgage-lending opportunities.

The National Association of Realtors puts the median sales price of a single-family home in CMSA 5602 at \$310,000 in 2002, up from \$258,200 in 2001. Higher values are found in suburban areas as well as Manhattan (New York County). Housing values are lower in the city's other counties. Throughout the assessment area, however, high housing costs significantly limit homeownership for LMI families.

Both New York City and PMSA 5600 as a whole tend to have older housing stock. The 2000 Census reports that 67% of housing units in the city, and 66% in the PMSA, were built in 1940 or earlier. The aging housing stock indicates a need for home improvement financing.

The PMSA also has a shortage of affordable rental housing. According to the 2000 Census, the median rent in PMSA 5600 (New York, NY) is \$715, a gross rent figure representing 35% or more of the income earned in more than a third of all households. This median figure is lower than the market rent and includes rent-stabilized apartments.

The sharp disparity between incomes and housing costs, either owned or rented, indicates a need for affordable mortgage programs and development of rental properties for the LMI population. Community contacts throughout the assessment area agreed that affordable housing is one of the most pressing needs.

Labor, Employment and Economic Characteristics

The lingering effects of 9/11 coupled with the national recession negatively impacted New York City's economy at the end of 2001. About 83,700 jobs were lost in finance, insurance, real estate, manufacturing, transportation and public utilities for the 12 months ending November 2001.

According to New York State Department of Labor statistics, unemployment has been growing during the examination period and is highest in the urban areas. Average annual unemployment rates in PMSA 5600 increased from 5.6% in 2001 to 7.3% in 2002. In New York City, the average unemployment rate for 2001 was 6.0 %, increasing to 7.9% for 2002.

The nonprofit community has also been hard-hit. New York City budget cutbacks have forced city agencies to cut funding as much as 15%, and such measures impact mainly human services organizations. Organizations also face losses from either cancelled or scaled-back fund-raisers and fewer donations. All this has occurred as many organizations face increased demands for services, particularly those related to hunger, job placement and retraining. This situation has opened up opportunities for area financial institutions to make community development loans and investments.

NEW JERSEY

Demographic Characteristics

New Jersey has 31% of the CMSA assessment area population. According to the 1990 Census, the population in this portion of the assessment area is 5 million. Approximately 35% of the New Jersey assessment area population resides in PMSA 5640 (Newark, NJ), 24% in PMSA 0875 (Bergen-Passaic, NJ), 17% in PMSA 5190 (Monmouth-Ocean, NJ), 13% in PMSA 5015 (Middlesex-Somerset-Hunterdon, NJ), and 11% in PMSA 3640 (Jersey City, NJ).

In the 1990s, the population growth in the five PMSAs ranged from a high of nearly 15% in PMSA 5015 to a low of 7% in PMSA 0875. Of the five PMSAs, only PMSA 0875 did not exceed the New Jersey state growth rate of 8.6%.

Income Characteristics

The 2002 and 2001 HUD-adjusted median family incomes for the PMSAs in the New Jersey portion of the CMSA 5602 assessment area are shown in the accompanying table. The New Jersey portion of the CMSA contains 28% of the assessment area's LMI tracts. LMI tracts are concentrated in PMSA 5640 (Newark, NJ) where 48% of the New Jersey LMI tracts are located.

HUD MEDIAN FAMILY INCOME		
PMSA	2002	2001
5640 (Newark, NJ)	\$78,700	\$74,000
5190 (Monmouth-Ocean, NJ)	\$69,900	\$65,600
5015 (Middlesex, NJ)	\$90,000	\$85,000
3640 (Jersey City, NJ)	\$60,100	\$54,800
0875 (Bergen-Passaic, NJ)	\$78,900	\$74,600

The 1990 Census also indicates that 38% of the 1.4 million families in the assessment area are LMI. In addition, 5.7% of families subsist below the poverty level. However, in PMSA 3640 (Jersey City, NJ), 12.4% of families are below the poverty level.

Low income levels in the urban areas of New Jersey make it difficult for families to afford their own homes and indicate a need for more affordable housing, particularly in Jersey City and Newark.

Housing Characteristics

Low numbers of owner-occupied units limit the demand for mortgage loans. Only 57% of the 2 million housing units in the New Jersey assessment area are owner-occupied. In LMI census tracts, only one-third of the housing units are owner-occupied. According to the 2000 Census, homeownership rates in the New Jersey PMSAs where BNY has assessment areas range from 29% in PMSA 3640 (Jersey City, NJ) to 69% in PMSA 5015 (Middlesex-Somerset-Hunterdon, NJ). High housing costs in the New Jersey assessment area also limit homeownership for LMI families.

Labor, Employment and Economic Characteristics

The nationwide recession and the aftermath of 9/11 have affected the northern New Jersey economy. According to the New Jersey Department of Labor, the region lost 17,300 jobs over the first three quarters of 2001. This is the first December-to-September employment decrease since 1992.

Unemployment in the state of New Jersey increased during the examination period. The unemployment rate averaged 4.2% in 2001 and 5.8% in 2002. The PMSAs closest to New York City have the highest unemployment rates while the PMSAs to the south have the lowest. Increasing unemployment indicates a need for economic development.

CONNECTICUT

Demographic Characteristics

The Connecticut portion of the assessment area is made up of parts of two PMSAs, both in southern Fairfield County.

Just 2% of the assessment area population is located in Connecticut. According to the 1990 Census, the population of this portion of the assessment area totals 359 thousand. The vast majority, 305 thousand, is in PMSA 8040 (Stamford-Norwalk, CT).

During the 1990s the population of PMSA 8040 increased 7%, and the population of PMSA 1160 increased 4%. The population of the state increased 4%.

Income Characteristics

HUD MEDIAN FAMILY INCOME		
PMSA	2002	2001
8040 (Stamford-Norwalk, CT)	\$115,500	\$109,800
1160 (Bridgeport, CT)	\$75,000	\$72,000

The table at right shows the 2002 and 2001 HUD-adjusted median family incomes for the PMSAs in the Connecticut portion of the CMSA 5602 assessment area. HUD information reveals that PMSA 8040 has the highest median family income of any PMSA in the state.

According to the 1990 Census, the Connecticut portion of the assessment area contains 92 census tracts; 8% are low-income and 17% are moderate-income. PMSA 8040 contains all the LMI tracts.

The 1990 Census also shows that 19% of families are low-income, 19% are moderate-income, 20% are middle-income and 42% are upper-income. Less than 3% of families are below the poverty level.

Housing Characteristics

Housing in Connecticut is expensive, particularly in the suburban areas of Fairfield County closest to New York City. According to the Connecticut Department of Economic and Community Development, the average price of a home in Fairfield County in 2000 was \$367 thousand. Housing costs in general make homeownership difficult for to LMI families.

Most housing in Fairfield County is owner-occupied. The 2000 Census shows a homeownership rate of 69%. According to the 1990 Census, the Connecticut assessment area has a homeownership rate of 64%. Most of the housing, 80%, is made up of one- to four-family units.

Labor, Employment and Economic Characteristics

The recession has had some effect on employment levels. According to the U.S. Department of Labor, the 2001 unemployment rate averaged 2.4% in PMSA 8040 (Stamford-Norwalk, CT) and 4.1% in PMSA 1160 (Bridgeport, CT). The highest 2002 rate in PMSA 1160 was 5.2% in February and December of that year and 3.1% in PMSA 8040 in February.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 5602

LENDING TEST

BNY's performance under the lending test is rated "low satisfactory." The facts and data used to evaluate the bank's performance in the assessment area and its component PMSAs are shown in the Appendix D tables beginning on page BB32. Lending activity is depicted in Table 1, geographic distribution is in Tables 2-6, and borrower characteristics are depicted in Tables 8-11.

Lending Activity: BNY's lending activity showed adequate responsiveness to the retail credit needs of CMSA 5602. Total lending activity has increased substantially from 2000 to 2001 and 2001 to 2002, faster than aggregate increases during the same periods.

In 2001, BNY had the fourth largest deposit market share in the CMSA 5602 assessment area and the third largest retail branch network. However, 2001 lending market share was much lower. For

home purchase and refinance originations, the mortgage affiliate had the 19th highest market share and the bank ranked 262. The bank was ranked 15th in terms of small business originations.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans reflected adequate penetration in LMI geographies. Although penetration was good in moderate-income geographies and adequate in low-income geographies, conspicuous lending gaps exist in urban areas of PMSA 5600 (New York, NY) and PMSA 5640 (Newark, NJ), especially in small business lending.

Home Purchase Loans

The overall geographic distribution of home purchase loans across geographies of different income levels reflected good penetration in LMI geographies. Performance context issues, including lending opportunities reflected in the number of owner-occupied units and aggregate performance, were considered. The following table summarizes BNY’s performance in LMI areas of the primary PMSAs:

HOME PURCHASE LENDING				
Primary PMSA	Low-income Tracts		Moderate-income Tracts	
	BNY Performance	Aggregate Comparison	BNY Performance	Aggregate Comparison
5600 (New York, NY)	Excellent	Similar	Good	Slightly below
5380 (Nassau-Suffolk, NY)	Adequate	Similar	Excellent	Above
5640 (Newark, NJ)	Excellent	Slightly below	Adequate	Below
0875 (Bergen-Passaic, NJ)	Poor	Significantly below	Excellent	Similar

Refinance Loans

Overall refinance lending across geographies of different income levels reflected good distribution. Performance context issues, including lending opportunities evidenced by the number of owner-occupied units and performance of the aggregate, were considered. The following table summarizes BNY’s performance in LMI areas of the primary PMSAs:

REFINANCINGS				
Primary PMSA	Low-income Tracts		Moderate-income Tracts	
	BNY Performance	Aggregate Comparison	BNY Performance	Aggregate Comparison
5600 (New York, NY)	Excellent	Slightly below	Excellent	Slightly above
5380 (Nassau-Suffolk, NY)	Adequate	Similar	Excellent	Above
5640 (Newark, NJ)	Poor	Significantly below	Poor	Below
0875 (Bergen-Passaic, NJ)	Poor	Significantly below	Good	Similar

Examiners noted mortgage lending gaps (for both home purchase loans and refinancings) in LMI areas of Essex County in PMSA 5640 (Newark, NJ) despite a significant number of owner-occupied units and lending by peer institutions. Gaps were also noted in upper Manhattan and Bronx County in PMSA 5600 (New York, NY). These areas have a limited number of owner-occupied units; however, other financial institutions were able to find opportunities to make loans. Since the previous examination, lending patterns improved in Kings County, within PMSA 5600 (New York, NY), in part because of BNY’s creation of a wholesale mortgage broker network.

Small Business Loans

The overall distribution of small business loans across geographies of different income levels was adequate. Performance context issues, including lending opportunities reflected in the number of businesses and aggregate performance, were considered. The following table summarizes the bank’s performance in LMI tracts in the primary PMSAs:

SMALL BUSINESS				
Primary PMSA	Low-income Tracts		Moderate-income Tracts	
	BNY Performance	Aggregate Comparison	BNY Performance	Aggregate Comparison
5600 (New York, NY)	Adequate	Below	Adequate	Below
5380 (Nassau-Suffolk, NY)	Adequate	Similar	Good	Similar
5640 (Newark, NJ)	Adequate	Below	Adequate	Below
0875 (Bergen-Passaic, NJ)	Adequate	Slightly below	Excellent	Above

In PMSA 5600 (New York, NY), small business lending gaps were noted in contiguous geographies. The lending gaps were in Kings County, New York County above 73rd Street, and Bronx County as well as Essex County in PMSA 5640 (Newark, NJ). The LMI geographies of these counties had a significant presence of small businesses as well as lending by peer institutions.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. This conclusion takes into account the assessment area’s high housing costs, the number of LMI families, the sizes of businesses, and aggregate performance in the assessment areas.

HMDA-related Lending to Moderate-income Borrowers

The distribution of home purchase loans to moderate-income borrowers was excellent, and the distribution of refinance loans was good. The following chart summarizes performance in the primary PMSAs:

Primary PMSA	Moderate-income Borrowers			
	Home Purchase Lending		Refinancings	
	BNY Performance	Aggregate Comparison	BNY Performance	Aggregate Comparison
5600 (New York, NY)	Excellent	Significantly above	Adequate	Similar
5380 (Nassau-Suffolk, NY)	Excellent	Significantly above	Excellent	Similar
5640 (Newark, NJ)	Excellent	Slightly above	Adequate	Below
0875 (Bergen-Passaic, NJ)	Good	Similar	Good	Similar

HMDA-related Lending to Low-income Borrowers

Taking into account high housing costs making homeownership unaffordable to most low-income borrowers, the distribution of both home purchase loans and refinancings to low-income borrowers was adequate. The following chart summarizes performance in the primary PMSAs:

Primary PMSA	Low-income Borrowers			
	Home Purchase Lending		Refinancings	
	BNY Performance	Aggregate Comparison	BNY Performance	Aggregate Comparison
5600 (New York, NY)	Adequate	Significantly above	Adequate	Slightly below
5380 (Nassau-Suffolk, NY)	Good	Significantly above	Adequate	Significantly above
5640 (Newark, NJ)	Adequate	Significantly above	Adequate	Similar
0875 (Bergen-Passaic, NJ)	Adequate	Similar	Adequate	Slightly below

Lending to Businesses of Different Sizes

The distribution of loans to businesses of different sizes was good when considering the high number of loans for \$100 thousand or less and the number of loans to businesses in the assessment area with gross annual revenues (“GAR”) of \$1 million or less.

Performance was good in all four primary PMSAs. The bank performed significantly above the aggregate in three of the primary PMSAs and above the aggregate in PMSA 5600 (New York, NY).

Community Development Loans: BNY’s level of community development lending in CMSA 5602 was excellent. As detailed in the table at right, the bank originated community development loans totaling nearly \$400 million in the CMSA, which were responsive to assessment area credit needs.

Purpose	#	\$ 000s
Affordable Housing	41	212,158
Community Services	51	30,873
Economic Development	5	19,789
Revitalize and Stabilize	14	137,017
Totals	111	\$399,837

Nearly \$9 million of the loans were made directly to multifamily projects and over \$200 million were construction loans financing more than 7,000 housing units. The bank also extended nine community development letters of credit totaling \$97 million.

Examples of community development loans include:

- A \$28 million construction loan to build a retail center in an LMI neighborhood designated an Economic Enterprise Zone.
- A \$16 million construction loan to build 72 two-family homes under the Neighbor Builder Program of the New York City Housing Partnership for sale to LMI families in Brooklyn.
- A \$9 million construction loan for the expansion of office space and parking facilities in the New Brunswick, New Jersey, Special Improvement District.
- An \$8 million commercial mortgage to acquire an existing office building in the Stamford, Connecticut, Urban Development Zone.
- A \$5 million construction loan to build a 65-unit housing complex in Yonkers, New York, where half of the units are reserved for LMI tenants.

Many of the community development loans were complex in nature, requiring coordination with multiple governmental agencies.

INVESTMENT TEST

BNY’s investment performance in CMSA 5602 was “outstanding.” The bank’s volume of qualified investments totaled over \$240 million, which includes over \$188 million in new investments made since the previous examination. For details, see Table 14 on page BB42.

The bank’s qualified investment activity exhibited excellent responsiveness to local community development needs, as detailed in the accompanying table. Examples of BNY’s qualified investments included:

Purpose	#	\$ 000s
Affordable Housing	141	237,229
Community Services	61	458
Economic Development	74	2,748
Revitalize and Stabilize	6	41
Totals	282	\$240,476

- A \$33 million investment in a fund that invests in LIHTC projects to support affordable housing development throughout the CMSA.
- A \$23 million investment in an LIHTC project in Westchester to provide 494 units of affordable housing.
- A \$9 million investment in an LIHTC project on Long Island to provide 87 units of affordable housing.

BNY made extensive use of innovative and complex investments to support community development initiatives. Within the CMSA, BNY invested in 39 LIHTC projects totaling nearly \$237 million, which are considered complex because of their intricate accounting requirements. These projects address a pressing need for affordable housing.

SERVICE TEST

The bank’s performance under the service test in CMSA 5602 is rated “low satisfactory.”

Retail Services: Overall, delivery systems are reasonably accessible to geographies and individuals of different income levels in CMSA 5602. For details, see Table 15 on page BB43.

Of the 340 branches in the CMSA assessment area, 47 or 14% are located in LMI geographies. In addition, 55 branches are in middle- or upper-income geographies located adjacent to LMI geographies, and are potentially accessible to persons and businesses in LMI geographies.

Although the overall distribution of branches was reasonably accessible, large areas with a concentration of LMI geographies and families lack accessible branches. Major gaps in branch distribution occur in PMSA 5600 (New York, NY) in LMI areas of New York City. No branches are found in New York County above 73rd Street or Bronx County, and just one branch is located in Kings County, in an upper-income tract. These areas combined contain 80% of the LMI tracts and 66% of the LMI families in the assessment area portion of PMSA 5600.

In PMSA 5640 (Newark, NJ), Union County also has no branches. The county has 31 LMI census tracts, which accounts for 19% of the LMI tracts in the PMSA.

BNY uses several alternative delivery systems that do not significantly enhance accessibility, including a network of 310 ATMs, 283 on-site and 27 off-site. Of the 310 ATMs, 15% are in LMI areas. Other alternative delivery services include Internet and telephone banking.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. The one branch opened during the examination period is in an upper-income geography. The seven branches closed during the examination period were in middle- and upper-income geographies; two resulted from branch consolidations.

Services, including branch hours, are tailored to the convenience and needs of the community. Approximately 71% of the branches provide extended hours on weekdays and/or Saturday.

Community Development Services: BNY provided a good level of community development services in CMSA 5602. During the examination period, the bank conducted 70 first-time home buyer fairs and mortgage seminars for LMI individuals and families located throughout the assessment area. In addition, five training sessions were provided to staff of community development organizations.

BNY also conducted 36 small business development workshops. The bank participated in five literacy training programs each year during the examination period.

Approximately eight BNY officers serve on various boards and committees of community groups addressing the needs of LMI persons, LMI areas and small businesses. Technical assistance and operating support were provided to local community organizations as well.

NEW YORK STATE

(FULL REVIEW)

CRA RATING FOR NEW YORK STATE: SATISFACTORY.

The lending test is rated: Low satisfactory.

The investment test is rated: Low satisfactory.

The service test is rated: Low satisfactory.

Major factors supporting the rating include:

- Adequate responsiveness to assessment area credit needs;
- Adequate geographic distribution of loans in the bank's assessment area;
- A relatively high level of community development loans;
- An adequate level of qualified investments; and
- Reasonably accessible delivery systems to geographies and individuals of different income levels.

SCOPE OF EXAMINATION

A full review of BNY's performance in New York State was conducted. This assessment area contains a very small part of the bank's operations and does not weigh significantly in the overall CRA rating.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA SULLIVAN AND ULSTER COUNTIES

The New York assessment area is small, encompassing southeastern portions of Sullivan and Ulster Counties. Sullivan County includes the non-MSA municipalities of Bethel, Fallsburg, Forestburgh, Highland, Liberty, Lumerland, Mamakating and Thompson. Ulster County includes the non-MSA municipalities of Esopus, Gardiner, Hurley, Kingston, Lloyd, Marbletown, Marlborough, New Paltz, Olive, Plattekill, Rochester, Rosendale, Saugerties, Shawangunk, Ulster, Warwarsing and Woodstock.

As of December 31, 2002, just 5 out of 345 branches (1%) and less than 1% of BNY's total retail deposits were located in the assessment area. During the examination period, 1% of BNY's home purchase loans and refinancings were originated in the assessment area. In addition, the bank originated 1% of its small business loans in this area. Refinance lending volume was very low and excluded from the geographic distribution and borrower characteristics analyses.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the assessment area has a population of 214 thousand, which is 1.3% of the entire population in BNY's assessment areas.

Income Characteristics

The table at the right summarizes the counties' HUD-adjusted median family incomes.

HUD MEDIAN FAMILY INCOME		
Area	2002	2001
Sullivan County, NY	\$46,500	\$45,100
Ulster County, NY	\$47,000	\$44,500

The 2000 Census shows that poverty levels are relatively high in Sullivan County, which has a family poverty level of 11.6%. In Ulster County, the percentage of families living in poverty is 7.2%.

Housing Characteristics

According to the 1990 Census, the non-MSA assessment area contains 100,305 housing units, of which 53% are owner-occupied. The assessment area has no low-income census tracts and only one moderate-income census tract in Ulster County. Less than 2% of the total housing units are located in the moderate-income tract.

MEDIAN HOUSING COSTS			
Area	2002*	2001	% Increase
Sullivan County	\$91,500	\$82,500	11
Ulster County	\$152,500	\$129,900	17
New York State	\$169,900	\$148,000	15

* Preliminary

Source: New York Association of Realtors

Housing costs in this assessment area are lower than for the state as a whole, and are more expensive in Ulster than Sullivan County. The table at left shows median sales prices for single-family homes.

As a result of low salaries in this assessment area compared with the CMSA and increasing prices of homes and taxes, housing affordability is becoming an issue for long-term residents of the area. A community group representative noted that people are moving from the New York metropolitan area into the non-MSAs, particularly Ulster County, in search of less expensive housing. These new residents, formerly from neighboring counties such as Westchester and Rockland, generally have higher salaries, which increases demand for limited housing and causes prices to rise.

Another issue, according to community contacts, is the lack of housing for a growing senior population. As older individuals begin to retire and rely on fixed incomes, they have difficulty finding housing and maintaining their existing homes as housing costs and taxes continue to increase.

UNEMPLOYMENT RATE		
Area	2002	2001
Sullivan County	5.0%	4.8%
Ulster County	4.1%	3.5%
New York State	6.1%	4.9%

Source: New York State Department of Labor

Labor, Employment and Economic Characteristics

As shown in the chart on the previous page, average annual unemployment rates in the two counties increased during the assessment period, but not as much as New York State's jobless rates.

EXHIBIT 4 Assessment Area Demographics Non-MSA New York State								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	7,068	13
Moderate-income	1	2	869	2	172	20	7,840	15
Middle-income	31	49	24,585	45	2,244	9	11,560	21
Upper-income	31	49	28,842	53	914	3	27,828	51
NA	0	0	0	0	0	0	0	0
Total Assessment Area	63	100	54,296	100	3,330	6	54,296	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacancy	
	#	#	%	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	1,671	664	1	40	768	46	239	14
Middle-income	51,338	22,829	43	45	13,141	26	15,368	30
Upper-income	47,296	29,796	56	63	10,472	22	7,028	15
NA	0	0	0	0	0	0	0	0
Total Assessment Area	100,305	53,289	100	53	24,381	24	22,635	23
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	145	1	126	1	8	1	11	1
Middle-income	4,762	47	3,992	46	321	48	449	52
Upper-income	5,289	52	4,546	53	344	51	399	47
Tract not reported	0	0	0	0	0	0	0	0
Total Assessment Area	10,196	100	8,664	100	673	100	859	100
	Percentage of Total Businesses:			85		7		8

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE

LENDING TEST

BNY's performance under the lending test is rated "low satisfactory." The facts and data used to evaluate the bank's performance in the assessment area and its component areas are shown in the Appendix D tables beginning on page BB32. Lending activity is depicted in Table 1, geographic distribution in Tables 2-6, and borrower characteristics are depicted in Tables 8-11.

Lending Activity: BNY's lending activity showed adequate responsiveness to the retail credit needs in the New York assessment area. In 2001, BNY had the 12th largest deposit market share in the assessment area and the 6th largest branch network. However, the mortgage affiliate had the 26th highest market share in terms of home purchase and refinance originations. Also in 2001, the bank ranked 14th in terms of small business originations in the assessment area.

Geographic Distribution: The overall geographic distribution of home purchase and small business loans reflected adequate loan performance. The assessment area has no low-income census tracts and only one moderate-income census tract.

This rating considers the very limited lending opportunities, particularly for mortgages, in the moderate-income census tract, which has only 664 owner-occupied housing units and 145 businesses.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among home purchase borrowers of different income levels and businesses of different sizes was good given the level of lending to moderate-income borrowers and high housing costs relative to income. Small business lending to businesses with GAR of \$1 million or less also reflects good distribution.

HMDA-related Loans to Moderate-income Borrowers

BNY's distribution of home purchase loans to moderate-income borrowers was excellent, and the bank's performance was significantly above the aggregate.

HMDA-related Loans to Low-income Borrowers

BNY's distribution of home purchase loans to low-income borrowers was adequate considering the high cost of housing in relation to the incomes of low-income borrowers. The proportion of the bank's lending to low-income borrowers was above the aggregate.

Lending to Businesses of Different Sizes

BNY's record of lending to businesses of different sizes in the assessment area was good, and its performance was significantly above that of the aggregate.

Community Development Loans: The level of community development lending was good, totaling \$1 million. BNY originated one community development loan totaling \$1 million for

community development services to an organization that funds the acquisition and renovation of group homes for the developmentally disabled.

INVESTMENT TEST

The level of qualified investments in the New York State non-MSA assessment area was adequate, totaling \$9,000. The bank made four grants totaling \$9,000 to organizations that promote affordable housing in Sullivan and Ulster Counties. For details, see Table 14.

SERVICE TEST

The bank's performance under the service test in the New York State non-MSA assessment area is rated "low satisfactory." Branch presence in the area is limited.

Retail Services: Overall, delivery systems were reasonably accessible to geographies and individuals of different income levels in Sullivan and Ulster Counties compared with the population in LMI geographies. For details, see Table 15. Of the five branches in the assessment area, none are located in the single moderate-income geography.

BNY uses alternative delivery systems, including three on-site ATMs. None of the ATMs are in LMI geographies. Other alternative delivery services include Internet and telephone banking.

No branches were opened or closed in this assessment area during the examination period.

Services including branch hours are tailored to the convenience and needs of the community. Approximately 80% of the branches provide extended hours on weekdays and/or Saturday.

Community Development Services: BNY provided an adequate level of community development services in the New York State non-MSA area. The services focused on affordable housing and small business development.

CRA APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		January 1, 2001 - December 31, 2002	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Bank of New York			<ul style="list-style-type: none"> • Home purchase • Refinancings • Small business
AFFILIATE(S)		AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
BNY Mortgage Company		Bank subsidiary	Mortgage loans
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED²	OTHER INFORMATION
CMSA 5602	On-site Full scope	1 Wall St. New York, NY	
Sullivan and Ulster Counties, NY	On-site Full scope		

² There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

SUMMARY OF STATE AND MULTISTATE MSA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
CMSA 5600	Low satisfactory	Outstanding	Low satisfactory	Satisfactory
New York State	Low satisfactory	Low satisfactory	Low satisfactory	Satisfactory

CRA APPENDIX C

GLOSSARY

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

Block numbering area (“BNA”): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

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

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

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

Full review: Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Small loan(s) to business(es): A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

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

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

CRA APPENDIX D

CRA CORE TABLES

Table 1. Lending Volume

LENDING VOLUME												
Geography: BNY ALL MSAs & NYS												
Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002												
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	
Full Review:												
PMSA 5600 NY	48.88	10,465	1,787,354	6,415	396,970	0	0	75	307,973	16,880	2,184,324	73.86
PMSA 5380 NY	21.19	3,913	689,196	3,406	162,290	0	0	5	21,635	7,319	851,486	10.92
PMSA 5640 NJ	5.85	1,114	245,297	908	47,377	0	0	10	14,224	2,022	292,674	3.16
PMSA 0875 NJ	8.06	1,534	344,195	1,250	56,760	0	0	5	9,831	2,784	400,955	4.34
PMSA 2281 NY	2.33	295	39,150	510	23,441	0	0	2	4,075	805	62,591	1.21
PMSA 5660 NY	3.71	725	102,514	557	27,740	0	0	8	8,151	1,282	130,254	1.64
PMSA 3640 NJ	1.46	288	44,540	215	10,865	0	0	2	11,000	503	55,405	.84
PMSA 5015 NJ	1.98	472	79,034	213	9,042	0	0	1	9,000	685	88,076	.65
PMSA 5190 NJ	3.45	935	158,786	258	13,559	0	0	1	4,200	1,193	172,345	1.28
PMSA 1160 CT	0.17	26	13,533	34	2,980	0	0	0	0	60	16,513	0.00
PMSA 8040 CT	1.90	344	139,224	313	18,433	0	0	2	9,748	657	157,657	1.72
CMSA 5602	99.00	20,111	3,642,823	14,079	769,457	0	0	111	399,837	34,190	4,412,280	99.62
Non-MSA NY	1.00	175	18,770	170	6,238	0	0	1	1,000	345	25,008	.37

* Loan data as of December 31, 2002. Rated area refers to either the state or multistate metropolitan area rating area.

** The evaluation period for community development loans is from January 1, 2001, to December 31, 2002.

*** Deposit data as of June 30, 2002. Rated area refers to the state, multistate metropolitan area or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE														Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*										
	#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper							
Full Review:																					
PMSA 5600 NY	7,078	59.25	2.07	4.25	8.40	7.33	30.37	34.16	59.15	54.00	4.09	9.66	29.51	56.59							
PMSA 5380 NY	2,043	17.10	0.04	0.00	11.81	24.23	68.73	62.21	19.42	13.46	0.09	18.87	64.68	16.31							
PMSA 5640 NJ	391	3.27	2.07	3.32	11.19	7.42	43.07	40.15	43.67	49.10	3.86	12.97	42.06	41.07							
PMSA 0875 NJ	682	5.71	0.79	0.29	11.01	13.20	56.56	59.68	31.64	26.83	1.42	13.75	55.69	29.11							
PMSA 2281 NY	193	1.62	1.50	3.63	8.81	9.33	73.20	76.68	16.48	10.36	1.56	7.94	75.83	14.50							
PMSA 5660 NY	409	3.42	1.22	8.31	8.97	18.09	55.02	49.39	34.79	24.21	2.23	8.25	50.59	38.93							
PMSA 3640 NJ	165	1.38	0.60	0.61	10.42	6.06	59.59	57.58	29.40	35.76	0.97	13.43	60.42	25.08							
PMSA 5015 NJ	229	1.92	0.88	0.44	12.36	12.23	73.78	75.98	12.99	11.35	1.48	12.88	69.86	15.76							
PMSA 5190 NJ	520	4.35	1.12	10.00	22.04	30.19	44.13	44.62	32.71	15.19	1.22	16.85	50.55	31.36							
PMSA 1160 CT	6	0.05	0.00	0.00	0.00	0.00	35.55	16.67	64.45	83.33	0.00	0.00	37.73	62.27							
PMSA 8040 CT	118	0.99	3.50	2.54	16.91	31.36	40.94	43.22	38.65	22.88	4.76	22.46	41.57	31.21							
CMSA 5602	11,834	99.05	1.32	3.50	11.34	12.31	48.80	43.57	38.54	40.45	2.43	13.48	47.35	36.66							
Non-MSA NY	113	0.95	0.00	0.00	1.25	0.00	42.84	55.75	55.91	44.25	0.00	1.08	44.15	54.77							

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

*** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income ¹			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
PMSA 5600 NY	181	38.68	2.07	6.08	8.40	9.94	30.37	27.07	59.15	56.91	4.45	12.39	31.27	51.69
PMSA 5380 NY	149	31.84	0.04	0.00	11.81	16.11	68.73	67.11	19.42	16.78	0.06	15.16	70.24	14.53
PMSA 5640 NJ	37	7.91	2.07	0.00	11.19	10.81	43.07	54.05	43.67	35.14	3.10	11.88	45.48	39.53
PMSA 0875 NJ	40	8.55	0.79	2.50	11.01	17.50	56.56	55.00	31.64	25.00	1.13	10.63	55.77	32.47
PMSA 2281 NY	7	1.50	1.50	0.00	8.81	14.29	73.20	57.14	16.48	28.57	1.17	7.95	74.32	16.30
PMSA 5660 NY	15	3.21	1.22	6.67	8.97	6.67	55.02	46.67	34.79	40.00	1.42	6.88	49.95	41.76
PMSA 3640 NJ	4	0.85	0.60	0.00	10.42	25.00	59.59	75.00	29.40	0.00	0.48	10.18	58.80	30.45
PMSA 5015 NJ	6	1.28	0.88	0.00	12.36	0.00	73.78	83.33	12.99	16.67	0.78	11.64	73.53	14.06
PMSA 5190 NJ	13	2.78	1.12	0.00	22.04	23.08	44.13	30.77	32.71	46.15	0.69	11.51	50.94	36.85
PMSA 1160 CT	1	0.21	0.00	0.00	0.00	0.00	35.55	100.00	64.45	0.00	0.00	0.00	38.36	61.64
PMSA 8040 CT	6	1.28	3.50	0.00	16.91	33.33	40.94	50.00	38.65	16.67	4.40	18.24	42.04	35.32
CMSA 5602	459	98.08	1.32	2.83	11.34	13.29	48.80	47.49	38.54	36.38	1.78	12.42	53.41	32.34
Non-MSA NY	9	1.92	0.00	0.00	1.25	0.00	42.84	33.33	55.91	66.67	0.00	0.84	40.91	58.25

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

*** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by number of owner-occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002							
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*				
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper	
Full Review:															
PMSA 5600 NY	3,179	40.64	2.07	2.17	8.40	10.00	30.37	30.20	59.15	57.53	2.54	8.95	27.76	60.63	
PMSA 5380 NY	1,717	21.95	0.04	0.00	11.81	18.46	68.73	63.54	19.42	18.00	0.06	13.66	70.35	15.89	
PMSA 5640 NJ	684	8.74	2.07	0.00	11.19	5.41	43.07	34.06	43.67	60.53	1.74	8.66	42.22	47.35	
PMSA 0875 NJ	809	10.34	0.79	0.12	11.01	10.51	56.56	48.08	31.64	41.29	0.79	9.90	55.31	33.93	
PMSA 2281 NY	94	1.20	1.50	0.00	8.81	6.38	73.20	74.47	16.48	18.09	1.15	6.86	71.55	19.83	
PMSA 5660 NY	298	3.81	1.22	3.36	8.97	9.06	55.02	45.64	34.79	41.95	1.50	5.70	51.10	41.70	
PMSA 3640 NJ	117	1.50	0.60	0.00	10.42	9.40	59.59	59.83	29.40	30.77	0.94	12.34	59.26	27.17	
PMSA 5015 NJ	236	3.02	0.88	0.00	12.36	8.47	73.78	67.37	12.99	24.15	0.84	9.75	72.49	16.90	
PMSA 5190 NJ	401	5.13	1.12	2.24	22.04	16.96	44.13	39.40	32.71	41.40	0.65	11.43	49.17	38.74	
PMSA 1160 CT	19	0.24	0.00	0.00	0.00	0.00	35.55	5.26	64.45	94.74	0.00	0.00	35.53	64.47	
PMSA 8040 CT	219	2.80	3.50	1.37	16.91	7.76	40.94	34.70	38.65	56.16	3.14	15.15	39.17	42.55	
CMSA 5602	7,773	99.37	1.32	1.18	11.34	11.66	48.80	43.01	38.54	44.10	1.26	10.60	50.43	37.64	
Non-MSA NY	49	0.63	0.00	0.00	1.25	0.00	42.84	48.98	55.91	51.02	0.00	1.07	39.39	59.53	

* Based on 2001 Peer Mortgage Data: Northeast Region.

** Home mortgage refinance loans originated and purchased in the metropolitan area/assessment area as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by number of owner-occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY				Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% of Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
PMSA 5600 NY	27	55.10	17.61	0.00	23.01	14.81	26.51	29.63	32.84	55.56	15.18	30.62	31.35	22.68
PMSA 5380 NY	4	8.16	0.28	0.00	29.37	50.00	59.88	50.00	10.47	0.00	0.00	27.34	64.06	8.59
PMSA 5640 NJ	2	4.08	23.23	0.00	31.77	50.00	32.67	0.00	12.29	50.00	20.06	44.57	27.86	7.52
PMSA 0875 NJ	3	6.12	8.65	0.00	24.09	100.00	57.19	0.00	10.07	0.00	15.31	49.76	28.23	6.70
PMSA 2281 NY	1	2.04	12.32	0.00	20.36	0.00	62.50	100.00	3.25	0.00	18.75	12.50	68.75	0.00
PMSA 5660 NY	3	6.12	7.56	0.00	20.44	0.00	53.57	66.67	18.43	33.33	0.00	35.29	35.29	29.41
PMSA 3640 NJ	2	4.08	3.74	0.00	20.74	50.00	56.29	0.00	19.24	50.00	2.66	30.68	57.73	8.94
PMSA 5015 NJ	1	2.04	3.98	0.00	24.48	100.00	66.05	0.00	5.49	0.00	15.22	45.65	34.78	4.35
PMSA 5190 NJ	1	2.04	5.82	0.00	33.31	0.00	46.05	0.00	14.82	100.00	10.96	39.73	28.77	20.55
PMSA 1160 CT	0	0.00	0.00	0.00	0.00	0.00	42.78	0.00	57.22	0.00	0.00	0.00	0.00	0.00
PMSA 8040 CT	1	2.04	18.21	0.00	57.18	100.00	22.31	0.00	2.31	0.00	37.04	33.33	25.93	3.70
CMSA 5602	45	91.84	15.97	0.00	24.24	28.89	31.69	28.89	28.06	42.22	14.00	32.84	34.44	18.62
Non-MSA NY	4	8.16	0.00	0.00	3.89	0.00	58.62	0.00	37.49	100.00	0.00	0.00	55.56	44.44

* Based on 2001 Peer Mortgage Data: Northeast Region.

** Multifamily loans originated and purchased in the metropolitan area/assessment area as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income										
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper							
Full Review:																					
PMSA 5600 NY	6,415	45.02	7.11	3.66	16.26	8.93	22.94	18.18	51.13	67.89	5.70	15.02	24.34	50.95							
PMSA 5380 NY	3,406	23.90	0.15	0.09	14.26	13.48	65.49	69.61	20.07	16.82	0.10	13.13	62.44	20.66							
PMSA 5640 NJ	908	6.37	7.05	3.52	12.68	8.04	40.57	43.72	39.66	44.71	5.13	11.25	39.71	39.46							
PMSA 0875 NJ	1,250	8.77	3.27	2.16	15.08	21.60	53.25	58.08	28.31	17.76	2.42	14.98	52.68	26.45							
PMSA 2281 NY	510	3.58	6.56	9.22	12.71	12.94	66.65	61.37	14.08	16.47	5.10	8.83	63.88	12.97							
PMSA 5660 NY	557	3.91	2.56	1.08	16.88	12.57	49.10	44.70	31.46	41.65	3.15	10.50	48.19	30.82							
PMSA 3640 NJ	215	1.51	1.23	0.00	17.05	19.07	56.70	44.65	24.60	35.35	0.78	15.79	55.57	24.79							
PMSA 5015 NJ	213	1.49	4.09	7.98	12.84	11.27	70.64	72.77	12.41	7.98	2.84	10.82	69.51	12.57							
PMSA 5190 NJ	258	1.81	1.63	1.16	13.64	9.30	47.57	43.80	37.15	45.74	1.03	14.09	46.88	33.61							
PMSA 1160 CT	34	0.24	0.00	0.00	0.00	0.00	59.70	41.18	40.30	58.82	6.88	12.13	39.18	37.08							
PMSA 8040 CT	313	2.20	14.50	8.63	25.82	36.42	34.07	23.96	25.60	30.99	11.43	22.00	31.65	31.19							
CMSA 5602	14,079	98.81	5.05	2.82	15.33	12.17	40.91	40.31	37.59	44.04	3.95	14.04	40.69	37.24							
Non-MSA NY	170	1.19	0.00	0.00	1.42	0.59	46.70	38.82	51.87	60.59	0.00	1.47	36.70	48.11							

* Based on 2001 Peer Small Business Data: U.S. & PR.

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

*** Source Data - Dun and Bradstreet (2000).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE				Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]			
	#	% of Total ^{**}	% Families ^{***}	% Bank Loans ^{****}	% Families ^{***}	% Bank Loans ^{****}	% Families ^{***}	% Bank Loans ^{****}	% Families ^{***}	% Bank Loans ^{****}	Low	Mod	Mid	Upper
Full Review:														
PMSA 5600 NY	7,078	59.25	25.58	4.60	15.44	22.48	18.22	27.52	40.76	45.40	1.90	10.81	23.69	63.60
PMSA 5380 NY	2,043	17.10	16.36	14.12	19.26	33.47	26.30	25.49	38.08	26.91	4.65	20.88	33.41	41.06
PMSA 5640 NJ	391	3.27	20.05	7.72	17.57	23.17	23.35	22.76	39.03	46.34	4.78	20.85	28.14	46.23
PMSA 0875 NJ	682	5.71	18.58	4.14	18.93	15.86	23.58	29.01	38.91	50.99	3.80	16.34	30.68	49.18
PMSA 2281 NY	193	1.62	16.73	15.56	19.15	32.59	28.13	29.63	35.99	22.22	4.54	19.75	32.27	43.43
PMSA 5660 NY	409	3.42	17.67	6.31	17.38	31.23	25.13	28.08	39.82	34.38	2.77	14.75	29.82	52.65
PMSA 3640 NJ	165	1.38	22.91	1.61	16.23	18.55	21.11	33.06	39.75	46.77	1.50	9.16	25.29	64.05
PMSA 5015 NJ	229	1.92	17.75	13.94	21.42	35.76	27.99	29.70	32.84	20.61	11.37	29.57	32.09	26.98
PMSA 5190 NJ	520	4.35	17.81	27.30	18.41	25.66	24.10	18.09	39.68	28.95	6.16	19.16	25.94	48.74
PMSA 1160 CT	6	0.05	10.58	0.00	13.51	25.00	18.81	25.00	57.10	50.00	0.88	7.21	19.28	72.64
PMSA 8040 CT	118	0.99	20.77	34.09	19.64	23.86	20.47	18.18	39.12	23.86	10.85	20.55	22.71	45.89
CMSA 5602	11,834	99.05	21.64	7.68	17.18	24.68	21.68	26.89	39.50	40.75	4.30	17.04	27.85	50.81
Non-MSA NY	113	0.95	13.02	2.70	14.44	17.57	21.29	22.97	51.25	56.76	1.91	10.16	24.65	63.28

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 26.93% of loans originated and purchased by bank.

*** Percentage of families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT				Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
PMSA 5600 NY	181	38.68	25.58	38.71	15.44	6.45	18.22	9.68	40.76	45.16	6.78	15.62	26.80	50.80
PMSA 5380 NY	149	31.84	16.36	25.00	19.26	17.86	26.30	39.29	38.08	17.86	8.18	20.28	33.50	38.04
PMSA 5640 NJ	37	7.91	20.05	0.00	17.57	20.00	23.35	0.00	39.03	80.00	7.04	20.83	29.76	42.36
PMSA 0875 NJ	40	8.55	18.58	27.27	18.93	27.27	23.58	9.09	38.91	36.36	6.49	16.88	29.33	47.30
PMSA 2281 NY	7	1.50	16.73	25.00	19.15	25.00	28.13	0.00	35.99	50.00	6.80	19.14	32.45	41.61
PMSA 5660 NY	15	3.21	17.67	0.00	17.38	16.67	25.13	50.00	39.82	33.33	5.58	14.27	26.93	53.22
PMSA 3640 NJ	4	0.85	22.91	0.00	16.23	0.00	21.11	0.00	39.75	100.00	5.91	14.17	30.22	49.70
PMSA 5015 NJ	6	1.28	17.75	0.00	21.42	0.00	27.99	0.00	32.84	100.00	10.99	29.14	32.17	27.70
PMSA 5190 NJ	13	2.78	17.81	0.00	18.41	50.00	24.10	50.00	39.68	0.00	5.90	15.72	26.42	51.96
PMSA 1160 CT	1	0.21	10.58	0.00	13.51	0.00	18.81	0.00	57.10	0.00	6.25	13.89	18.06	61.81
PMSA 8040 CT	6	1.28	20.77	0.00	19.64	100.00	20.47	0.00	39.12	0.00	16.41	25.81	22.44	35.34
CMSA 5602	459	98.08	21.64	25.27	17.18	16.48	21.68	20.88	39.50	37.36	7.39	18.69	29.56	44.35
Non-MSA NY	9	1.92	13.02	25.00	14.44	50.00	21.29	25.00	51.25	0.00	5.67	12.25	23.95	58.14

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 79.7% of loans originated and purchased by the bank.

*** Percentage of families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002							
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:															
PMSA 5600 NY	3,179	40.64	25.58	2.18	15.44	9.73	18.22	22.78	40.76	65.31	2.45	10.47	23.45	63.63	
PMSA 5380 NY	1,717	21.95	16.36	8.75	19.26	22.88	26.30	27.21	38.08	41.16	5.53	21.16	33.76	39.55	
PMSA 5640 NJ	684	8.74	20.05	4.04	17.57	12.56	23.35	24.89	39.03	58.52	4.45	16.87	27.18	51.50	
PMSA 0875 NJ	809	10.34	18.58	3.33	18.93	14.97	23.58	24.95	38.91	56.75	3.95	15.09	29.11	51.84	
PMSA 2281 NY	94	1.20	16.73	5.56	19.15	18.52	28.13	31.48	35.99	44.44	4.07	16.71	30.66	48.56	
PMSA 5660 NY	298	3.81	17.67	3.88	17.38	15.05	25.13	31.55	39.82	49.51	2.89	11.81	25.52	59.77	
PMSA 3640 NJ	117	1.50	22.91	2.99	16.23	10.45	21.11	23.88	39.75	62.69	2.58	10.36	25.24	61.81	
PMSA 5015 NJ	236	3.02	17.75	7.38	21.42	29.51	27.99	32.79	32.84	30.33	9.18	24.75	33.13	32.95	
PMSA 5190 NJ	401	5.13	17.81	10.13	18.41	17.18	24.10	26.87	39.68	45.81	4.09	15.11	27.01	53.78	
PMSA 1160 CT	19	0.24	10.58	9.09	13.51	0.00	18.81	0.00	57.10	90.91	2.13	9.63	18.48	69.77	
PMSA 8040 CT	219	2.80	20.77	7.50	19.64	15.00	20.47	15.00	39.12	62.50	9.89	18.62	21.39	50.10	
CMSA 5602	7,773	99.37	21.64	4.56	17.18	14.44	21.68	24.65	39.50	56.35	4.58	16.31	28.13	50.98	
Non-MSA NY	49	0.63	13.02	3.45	14.44	17.24	21.29	17.24	51.25	62.07	2.17	9.85	21.64	66.33	

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 29.77% of loans originated and purchased by the bank.

*** Percentage of families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the metropolitan area/assessment area as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: BNY ALL MSAs & NYS			Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002	
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Revenues \$1 Million Or Less
Full Review:									
PMSA 5600 NY	6,415	45.02	81.66	63.65	89.70	5.14	5.16	183,456	83,466
PMSA 5380 NY	3,406	23.90	84.77	65.74	92.69	3.70	3.61	79,574	33,175
PMSA 5640 NJ	908	6.37	83.78	63.00	92.73	3.74	3.52	48,563	18,322
PMSA 0875 NJ	1,250	8.77	83.08	62.64	93.84	3.52	2.64	36,967	14,168
PMSA 2281 NY	510	3.58	86.56	72.16	91.57	5.10	3.33	5,506	2,242
PMSA 5660 NY	557	3.91	87.25	75.94	92.10	3.95	3.95	6,229	2,414
PMSA 3640 NJ	215	1.51	83.28	65.12	93.02	5.58	1.40	9,456	3,566
PMSA 5015 NJ	213	1.49	82.46	58.69	93.43	4.69	1.88	17,731	6,417
PMSA 5190 NJ	258	1.81	85.27	58.91	89.92	7.75	2.33	27,106	9,611
PMSA 1160 CT	34	0.24	85.52	76.47	85.29	2.94	11.76	7,600	2,950
PMSA 8040 CT	313	2.20	83.83	65.50	89.14	6.39	4.47	12,242	4,737
CMSA 5602	14,079	98.81	83.12	64.75	91.24	4.58	4.18	434,430	181,068
Non-MSA NY	170	1.19	84.97	77.65	94.71	2.94	2.35	5,496	2,284

* Based on 2001 Peer Small Business Data: U.S. & PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2000).

**** 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 3.17% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	% of Total	#	\$(000s)
Full Review:									
PMSA 5600 NY	16	47,981	179	57,456	195	105,437	43.84	0	0
PMSA 5380 NY	1	200	23	82,709	24	82,909	34.48	0	0
PMSA 5640 NJ	2	3,905	25	13,226	27	17,131	7.12	0	0
PMSA 0875 NJ	0	0	4	1,556	4	1,556	0.65	0	0
PMSA 2281 NY	0	0	3	5,612	3	5,612	2.33	0	0
PMSA 5660 NY	0	0	2	2,401	2	2,401	1.00	0	0
PMSA 3640 NJ	0	0	6	19,176	6	19,176	7.97	0	0
PMSA 5015 NJ	0	0	0	0	0	0	0.00	0	0
PMSA 5190 NJ	0	0	2	6,199	2	6,199	2.58	0	0
PMSA 1160 CT	0	0	0	0	0	0	0.00	0	0
PMSA 8040 CT	0	0	19	55	19	55	0.02	0	0
CMSA 5602	19	52,086	263	188,390	282	240,476	100.00	0	0
Non-MSA NY	0	0	4	9	4	9	< 0.01	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 tracked and recorded by the institution's financial reporting system.

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




DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: BNY ALL MSAs & NYS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location Of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full Review:																	
PMSA 5600 NY	74.00	123	35.65	4.0	6.5	16.2	73.1	1	0	0	0	0	1	14.82	20.81	30.24	33.74
PMSA 5380 NY	11.0	87	25.22	0.00	16.0	64.3	19.5	0	3	0	0	-2	-1	0.37	14.57	67.46	17.28
PMSA 5640 NJ	3.00	30	8.70	3.3	6.6	43.3	46.6	0	1	0	0	-1	0	9.03	21.29	37.92	31.71
PMSA 0875 NJ	4.00	39	11.3	0.0	12.8	71.7	15.3	0	3	0	0	-1	-2	4.18	18.73	52.23	24.82
PMSA 2281 NY	1.00	13	3.77	15.3	15.3	53.8	15.3	0	0	0	0	0	0	3.71	11.95	67.99	14.59
PMSA 5660 NY	2.0	16	4.64	0.0	12.5	50.0	37.5	0	0	0	0	0	0	4.49	14.38	51.42	29.70
PMSA 3640 NJ	1.00	9	2.61	0.00	22.2	22.2	55.5	0	0	0	0	0	0	2.38	17.09	60.77	19.74
PMSA 5015 NJ	1.00	6	1.74	16.6	16.6	66.6	0.0	0	0	0	0	0	0	2.32	17.92	68.32	10.92
PMSA 5190 NJ	1.00	9	2.61	0.00	22.2	44.4	33.3	0	0	0	0	0	0	2.33	20.18	45.18	32.14
PMSA 1160 CT	0.00	1	0.29	0.00	0.00	0.00	100.0	0	0	0	0	0	0	0.00	0.00	38.02	61.98
PMSA 8040 CT	2.00	7	2.03	0.00	42.8	0.00	57.1	0	0	0	0	0	0	8.77	24.29	34.77	32.18
CMSA 5602	100.00	340	98.55	2.7	12.1	41.8	43.6	1	7	0	0	-3	-2	9.08	19.22	42.83	28.56
Non-MSA NY	0.00	5	1.45	0.00	0.00	20.0	80.0	0	0	0	0	0	0	0.00	1.72	46.04	52.24

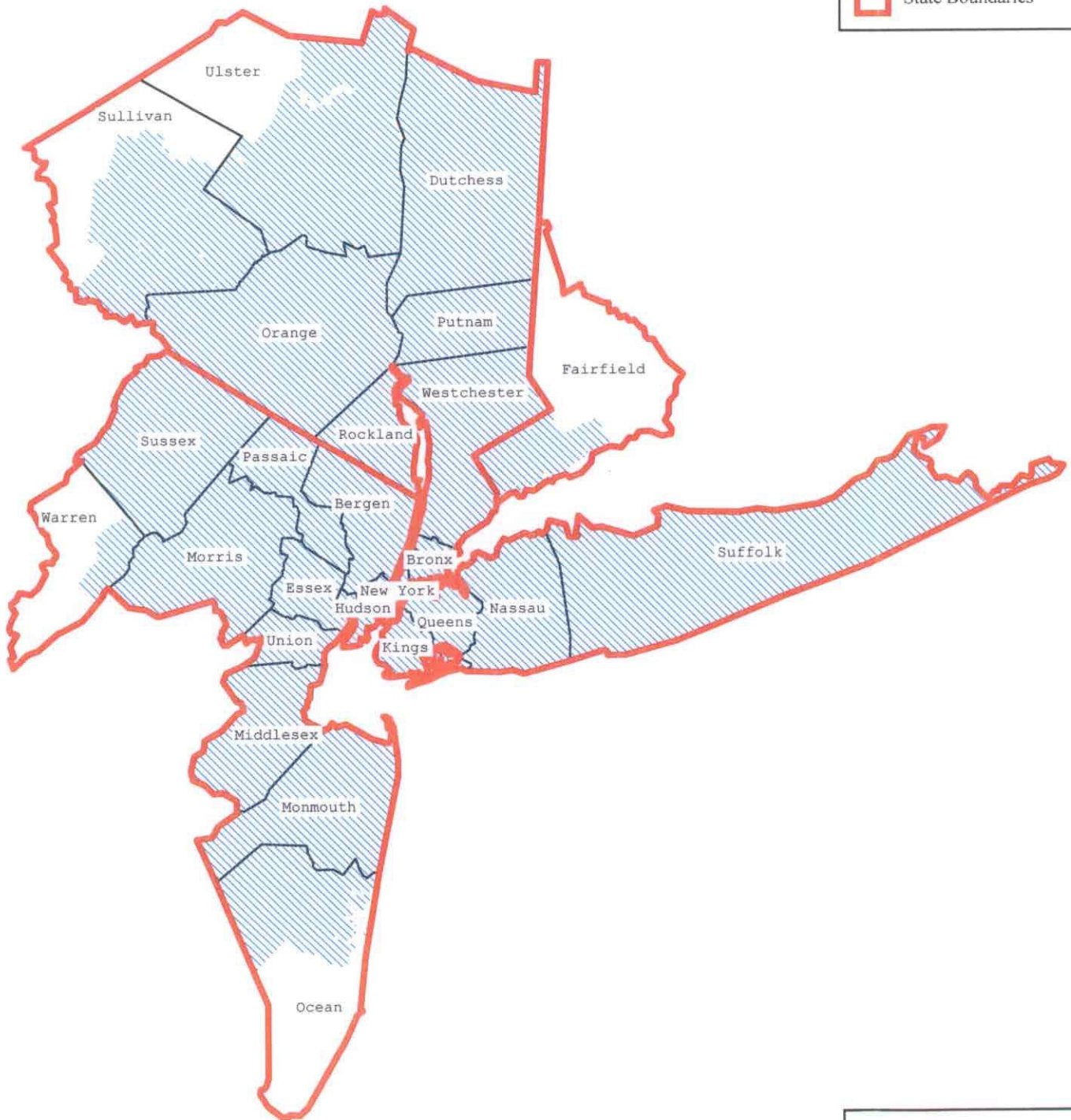
Bank of New York

Connecticut, New Jersey & New York

Assessment Area Map 2001-2002

Legend

-  Counties
-  Assessment Area
-  State Boundaries



Miles

