

PUBLIC DISCLOSURE

July 9, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**THE CHASE MANHATTAN BANK
RSSD ID # 852218**

270 Park Avenue
New York, New York

**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 Chase Manhattan Bank is rated "OUTSTANDING."

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

PERFORMANCE LEVELS	THE CHASE MANHATTAN BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

The major factors supporting the rating follow:

- Chase's lending activity demonstrated excellent responsiveness to retail credit needs in the bank's assessment areas when measured in terms of the number and dollar amount of housing-related and small business loans originated or purchased by the bank.
- The bank had an excellent level of community development lending.
- The level of qualified investments was excellent.
- Overall, the bank's delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment areas.
- The bank was a leader in providing community development services.
- Overall distribution of loans across geographies of different income levels was good.
- The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good considering performance context issues such as high housing costs relative to income.

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

INSTITUTION

DESCRIPTION OF INSTITUTION

The Chase Manhattan Bank ("Chase") is a full-service commercial bank providing a broad range of financial services to consumers and businesses. Headquartered in New York, New York, the bank is a wholly owned subsidiary of J.P. Morgan Chase & Co., the second largest bank holding company in the U.S. as of March 31, 2001. Other affiliates relevant to this examination are Chase Manhattan Mortgage Corporation ("CMMC"), a nationwide mortgage origination and secondary market subsidiary; Chase Manhattan Bank USA, National Association ("N.A."), ("Chase USA"), a national bank specializing in credit card lending and indirect automobile lending; and Morgan Guaranty Trust Company of New York ("Morgan").

Since the last CRA examination of Chase in mid-1999, the bank completed mergers with an affiliate bank in Texas and with Morgan. On July 31, 2000, Chase Bank of Texas, N.A. ("Chase Texas"), was merged into Chase Manhattan Bank. At the time of the merger, Chase Texas operated 119 branches in Texas, primarily in Houston and Dallas. As of June 30, 2000, Chase Texas reported total deposits of \$17.9 billion and total assets of \$24.6 billion.

Morgan was acquired on December 31, 2000, as part of the holding company's purchase of JP Morgan & Co., Inc., New York. On November 10, 2001, Morgan was merged into Chase, and the bank's name was changed to JPMorgan Chase Bank. Morgan provided financial services to large domestic and international corporations, generally offering retail banking services only on an accommodation basis. Under the CRA, Morgan was considered a wholesale bank by the Federal Reserve Bank of New York ("FRBNY"). At the time of the merger, Morgan operated three branches, two in New York City and one in the state of Delaware. Based on the June 30, 2001, Call Report, Chase and Morgan's combined deposits totaled \$298 billion and their combined assets were \$613 billion.

Also during the current examination period, Chase completed the sale of 29 branches in upstate New York to Manufacturers and Traders Trust Company ("M&T") on September 30, 1999. The previously announced sale of the bank's operations in the U.S. Virgin Islands, including seven branches, failed to close during the examination period because of factors outside the bank's control.

Following the above transactions and the sale of six retail branches in Connecticut to Webster Bank in April 2000, the bank's assessment areas changed since the previous examination. At this examination, Chase had four assessment areas to be rated, including part of CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) consisting of:

- PMSA 5600 (New York, NY)
- PMSA 5380 (Nassau-Suffolk, NY)
- Part of PMSA 5660 (Newburgh, NY-PA)
- PMSA 0875 (Bergen-Passaic, NJ)
- PMSA 3640 (Jersey City, NJ)

- Part of PMSA 5640 (Newark, NJ)
- Part of PMSA 1160 (Bridgeport, CT)
- PMSA 1930 (Danbury, CT)
- Part of PMSA 5480 (New Haven-Meriden, CT)
- PMSA 8040 (Stamford-Norwalk, CT)

The second assessment area to be rated is the state of New York, which consists of:

- Part of MSA 1280 (Buffalo-Niagara Falls, NY)
- Part of MSA 6840 (Rochester, NY)
- Part of MSA 8160 (Syracuse, NY)
- Part of MSA 0960 (Binghamton, NY)
- MSA 2335 (Elmira, NY)
- Part of MSA 8680 (Utica-Rome, NY)
- Part of MSA 0160 (Albany-Schenectady-Troy, NY)

The third assessment area to be rated is the state of Texas, which consists of:

- Part of CMSA 1922 (Dallas-Fort Worth, TX)
- Part of CMSA 3362 (Houston-Galveston-Brazoria, TX)
- Part of MSA 0640 (Austin-San Marcos, TX)
- Part of MSA 1240 (Brownsville-Harlingen-San Benito, TX)
- MSA 2320 (El Paso, TX)
- Part of MSA 4880 (McAllen-Edinburg-Mission, TX)
- Part of MSA 7240 (San Antonio, TX)

And the fourth assessment area to be rated is the United States Virgin Islands ("USVI") consisting of:

- The non-MSA islands of St. Thomas, St. Croix and St. John.

Chase's assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude any low- or moderate-income ("LMI") geographies.

At the end of the examination period, December 31, 2000, Chase operated 544 branches throughout its assessment areas. Based on deposit data as of June 30, 2000, Chase was the largest bank in New York City.

Chase's previous CRA examination was conducted as of July 9, 1999, at which time the bank also received an overall rating of "outstanding." Morgan, designated under the CRA as a wholesale bank, received an overall CRA rating of "outstanding" at its previous examination dated January 11, 1999. The last CRA examination of Chase Texas, then known as Texas Commerce Bank, was conducted by the Comptroller of the Currency as of September 9, 1996. At that time, the rating also was "outstanding" based on an examination of the bank's performance under 12 CRA assessment factors. This examination is the first time Chase Texas was reviewed under the revised CRA examination procedures for large retail institutions issued by the Federal Financial Institutions Examination Council ("FFIEC") in April of 1997.

There are no financial or legal factors that would prevent Chase from fulfilling its responsibilities under the CRA. See Appendix E for maps illustrating Chase's assessment areas in CMSA 5602 and the states of New York and Texas.

SCOPE OF EXAMINATION

Chase's performance was reviewed using the FFIEC's *Interagency Procedures and Guidelines for Large Retail Institutions*. All calculations have been rounded to the nearest whole number. Performance in the multistate CMSA 5602 had the greatest weight on the bank's overall rating because of the high concentration of deposits, lending and population in this assessment area. The CMSA 5602 assessment area represents 54 percent of the population, 55 percent of LMI families, 83 percent of branch deposits, and 69 percent of branches in Chase's combined assessment areas. At this examination the CMSA assessment area also represents 61 percent of home purchase loans, 70 percent of refinance loans, and 75 percent of small business loans in the combined assessment areas.

Conversely, the USVI assessment area had the least impact on the bank's rating. This assessment area represents less than 1 percent of the bank's branch network, branch deposits and lending activity analyzed at this examination.

The bank's Delaware assessment area was not reviewed for this CRA examination. The Delaware assessment area was originally a Morgan assessment area containing a single, non-retail branch in New Castle County. This assessment area became Chase's with the November 2001 merger of the two state member banks. Since this assessment area was not part of Chase's assessment area during the examination period, it was not included in the scope of this examination.

The evaluation of Chase's CRA performance covered the period of January 1, 1999, through December 31, 2000. For the CMSA 5602, New York State and USVI assessment areas, loan products analyzed include home purchase loans, refinance loans and small business loans. For the Texas assessment areas, home improvement loans were also analyzed based on the volume of originations in these assessment areas.

Home improvement loans were excluded from the analysis in CMSA 5602 and the New York assessment areas because the volume of such loans was too small for a meaningful analysis. As a result of a low level of applications, Chase stopped offering a home improvement product as of January 31, 1999, except for loans originated under a special program initiated by New York City. Management indicated that home improvement credit needs can still be met with other products such as personal unsecured loans, home equity loans and lines of credit, and home mortgage refinancings.

Except for ten loans, the housing-related multifamily loans originated during the examination period were outside the bank's assessment area. The loans were originated by JP Morgan Mortgage Capital, an affiliate of the Chase Manhattan Bank. On a nationwide basis, JP Morgan Mortgage Capital originates mortgages for multifamily, retail, industrial and office properties.

that are packaged and sold into securities. Because of the small number of assessment area multifamily loans, a meaningful analysis was not possible.

The evaluation included community development loan originations and qualified investments between April 1, 1999, and March 31, 2001, as well as community development loans and qualified investments originated by Morgan or its affiliates and subsequently acquired by Chase.

Examiners conducted 14 interviews with community contacts during this examination and reviewed 30 community contact forms recently prepared by the Federal Reserve Bank of Dallas as well as FRBNY. Contacts were made in all the bank's assessment areas and included local community-based organizations, state and quasi-government agencies, and municipal officials.

The mortgage loans included in the evaluation were reported under the Home Mortgage Disclosure Act ("HMDA"), and they were originated or purchased by Chase or its affiliates CMMC, Chase USA or Chase Texas. Affiliate activity represents originations and purchases only in the bank's assessment area not submitted to other regulators as part of other CRA examinations. HMDA-related loans purchased by the bank or its affiliates represent 43 percent of all HMDA-related loans used in the analysis.

Of the total number of home purchase loans, 26 percent were purchases between Chase and an affiliate. Of total refinancings, 34 percent were purchases between Chase and an affiliate. All the home improvement loans were originations.

Of the total number of home purchase loans used in the analysis, Chase reported 22,724 such loans or 26 percent, CMMC reported 59,676 or 68 percent, Chase USA reported 5,563 or 6 percent, and Chase Texas reported 275 or less than 1 percent. Of total refinancings used in the analysis, Chase reported 6,465 or 28 percent, CMMC reported 14,965 or 65 percent, Chase USA reported 580 or 3 percent, and Chase Texas reported 936 refinancings or 4 percent.

Reporting requirements under Regulation C are not applicable with respect to dwellings in U.S. territories such as the USVI. Chase management supplied data for mortgage loans originated in the USVI.

The small business loans included in the evaluation were reported under the CRA by Chase, Chase USA or Chase Texas. Affiliate activity represents only loans in the bank's assessment areas that were not submitted to other regulators as part of other CRA examinations. Chase is responsible for 87,372 or 84 percent of all small business loans used in the analysis. The balance of small business loans reviewed were attributable to Chase USA and Chase Texas with 12 percent and 4 percent, respectively. Within the normal course of its business, Chase USA sells a portion of its small business loan originations to Chase Bank. For this examination period, approximately 8,000 loans were included in the sales transaction.

In the CMSA 5602 and New York State assessment areas, small business lending performance greatly influenced the evaluation. Such lending represented 53 percent and 52 percent, respectively, of lending activity in the assessment areas. Home purchase lending activity totaled

36 percent and 35 percent of lending activity in the CMSA 5602 and New York State assessment areas, respectively.

For the Texas assessment areas, the composition of lending activity is in stark contrast to lending activity in the CMSA 5602 and the New York State assessment areas. In the Texas assessment areas, home purchase lending performance greatly influenced the evaluation as it represented 51 percent of lending activity in the Texas assessment areas. Most of the home purchase loans originated in Texas were attributable to CMMC. Small business lending totaled 33 percent of lending activity. Chase lending in Texas includes 21 small farm loans, which were not included with small business loans because of their limited number.

For evaluation of the geographic distribution of loans, geographies were classified on the basis of the Census Bureau's 1990 Census income data. The distribution of loans to borrowers of different income levels was determined based on 1999 and 2000 HUD estimated median family income data, as applicable.

HMDA-related and small business loan performance was compared with the aggregate of all lenders in Chase's combined assessment areas (except the USVI) reporting real estate loans under HMDA and small business loans under the CRA. This information is reported annually. At the time of this Reserve Bank's analysis, the most recent year for which HMDA and small business information was available is 1999.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chase's record of meeting the credit needs of its assessment areas through its lending activities is rated "outstanding" based on (1) outstanding performance in the CMSA 5602 assessment area, the bank's primary assessment area, (2) high satisfactory performance in the New York and Texas assessment areas, and (3) low satisfactory performance in the USVI assessment area. As previously discussed, the USVI area had minimal impact on the overall institution rating.

The facts and data used to evaluate the bank's lending test performance in its various assessment areas are shown in the Appendix D tables. Lending activity is depicted in Table 1, geographic distribution in Tables 2-7, and borrower characteristics are depicted in Tables 8-12. Each assessment area being rated (the CMSA, the states of New York and Texas, and the USVI) has its own set of tables.

Lending Activity: Chase's lending activity showed excellent responsiveness to retail credit needs in the bank's assessment areas when measured in terms of the number and dollar amount of HMDA-related and small business loans originated or purchased in each assessment area.

This conclusion is based on excellent lending activity in the CMSA 5602 assessment area, which represents approximately 67 percent of lending at this examination; good lending activity in the New York and Texas assessment areas representing 5 percent and 27 percent, respectively, of

lending activity; and adequate lending test performance in the USVI assessment area. The USVI area represents less than 1 percent of lending activity at this examination.

As shown in Exhibit 1, the bank and its affiliates reported originating or purchasing 246,402 HMDA-related and small business loans equaling approximately \$26 billion during the examination period.

EXHIBIT 1				
Summary of Lending Activity				
January 1, 1999 – December 31, 2000				
Loan Type	#	%	\$('000s)	%
HMDA Home Purchase	91,521	37	14,351,941	55
HMDA Refinancings	23,823	10	3,717,257	14
HMDA Home Improvement	4,424	2	72,973	--
HMDA Multifamily	93	--	837,431	3
Total HMDA-related	119,861	49	\$18,979,602	72
Total Small Business	126,541	51	\$7,280,071	28
TOTAL LOANS	246,402	100	\$26,259,673	100

Note: Affiliate loans include only loans originated or purchased in the bank's assessment areas. Small business loans include 30 small farm loans.

When compared with the previous examination period (1997 and 1998), HMDA-related lending increased 77 percent at this examination although rising interest rates in 2000 negatively impacted such lending, particularly refinancings. Much of the increased HMDA-related volume, as well as the 45 percent increase in small business lending, is attributable to the merger with Chase's Texas affiliate.

Assessment Area Concentration: A substantial portion of the bank's loan originations were made in its assessment areas. Specifically, 82 percent of the number and 84 percent of the dollar amount were generated in the assessment areas as detailed below. As discussed previously in the Scope of Examination section, most of Chase's HMDA-related loans are originated or purchased by its mortgage company affiliate and therefore were not included in the analysis of assessment area concentration. Most small business loans, however, are originated or purchased by the bank and are part of the analysis of assessment area concentration. The numbers reflected in the lending volume tables in Appendix D represent in-assessment area loans only (both affiliate and bank). Geographic and borrower analysis is conducted on in-assessment area loans only.

EXHIBIT 2

Lending Inside and Outside the Assessment Area

January 1, 1999 – December 31, 2000

	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Home Purchase	22,966	88	4,483,526	93	3,044	12	358,122	7
Refinancing	6,609	90	1,149,191	89	733	10	133,660	11
Home Improvement	96	92	2,420	90	8	8	265	10
Multifamily	10	11	73,535	9	79	89	762,020	91
Total HMDA-related	29,681	88	5,708,672	82	3,864	12	\$1,254,067	18
Total small business	87,472	80	5,525,541	87	22,345	20	\$853,292	13
TOTAL LOANS	117,153	82	11,234,213	84	26,209	18	\$2,107,359	16

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

Geographic and Borrower Distribution: Overall, the geographic distribution of loans in LMI geographies was good, based on excellent distribution in the CMSA 5602 and New York assessment areas and an adequate distribution in the Texas and USVI assessment areas. The overall distribution of loans among borrowers of different income levels and businesses of different sizes was also good, based on good performance in all but the USVI assessment area, where borrower distribution was adequate.

Various innovative and flexible lending products effectively enhanced the level of lending in LMI neighborhoods and to LMI borrowers. The highly responsive products were targeted to specific community credit needs in the bank's various assessment areas.

Chase's Residential Lending Group ("RLG") initiates and administers the bank's innovative and flexible mortgage lending products. The group's development of new product begins with partnerships with local community organizations. Such partnerships have resulted in the development of LMI mortgage products for low-income families and female heads of households in New York State's Suffolk County, New York City schoolteachers seeking homeownership in LMI neighborhoods, and LMI families in El Paso, Texas, and Syracuse, New York.

The RLG also administers LMI mortgage subsidy and closing cost assistance programs targeted to LMI borrowers purchasing homes in LMI neighborhoods. And, the RLG has developed a refinance program to assist senior citizen victims of abusive lending practices by helping the seniors avert mortgage default and foreclosure. During the examination period, the RLG's innovative and flexible products resulted in 859 mortgage loan originations, which are already included in the figures discussed in the Lending Activity section above.

The Commercial Lending Unit of Chase's Community Development Group provides direct loans to marginal small businesses in LMI communities and nonprofit groups with a community

development purpose. The unit also works with intermediaries such as community development financial institutions (“CDFIs”) to finance small businesses in LMI neighborhoods.

Community Development Lending: Chase’s community development lending performance overall and in each of its assessment areas was excellent. During the examination period, community development loan commitments totaled \$1 billion. In addition, Chase issued \$128 million in letters of credit to support affordable housing initiatives. Approximately 9 percent or \$93 million in community development loans were made outside the bank’s assessment areas. These loans benefited larger regional or statewide areas that included the bank’s assessment areas; they were considered because the bank had more than adequately met community development loan needs in its assessment areas. For details on community development loans in each assessment area, see the four lending volume tables, all numbered “1,” in Appendix D.

Throughout the assessment areas, much of Chase’s community development lending was complex. Approximately 75 percent of all community development activity was allocated to direct lending initiatives rather than intermediary lenders. Many loans involved local, state and federal agencies providing multiple layers of financing, which required a substantial amount of the bank’s administrative time. Construction lending, which represents most of Chase’s affordable housing activity, generally requires extended interaction with multiple agencies in order to structure the financing package. Also, Chase frequently acts as agent for loan participations with other banks and local CDFIs. In addition, the bank annually extends recoverable grants (no-interest loans up to 24 months) to qualifying community development organizations in all its assessment areas.

Community development lending was responsive to identified credit needs. Affordable housing initiatives totaled \$725 million or 72 percent of total activity. These initiatives provided for the construction and rehabilitation of at least 24,702 affordable housing units throughout the bank’s assessment areas. Affordable housing was identified as a critical credit need in all the bank’s assessment areas. Lending for revitalization and stabilization efforts totaled \$184 million or 18 percent of total activity. Community service lending totaled \$85 million or 8 percent, while lending related to economic development totaled \$18 million or 2 percent of total activity.

INVESTMENT TEST

Chase’s investment performance is rated “outstanding” based on outstanding performance in the CMSA 5602 and USVI assessment areas and high satisfactory performance in the New York and Texas assessment areas. Overall, Chase’s excellent volume of qualified investments totaled \$842 million at this examination, which includes \$342 million in new investments made since the previous examination. For details, see the four Table 14s in Appendix D.

Approximately \$653 million or 78 percent of total investments were low income housing tax credits (“LIHTCs”), which are considered complex because of accounting requirements. In addition, Chase sponsors \$102 million of Chase’s own LIHTC funds. The bank’s On December

Project supporting the Ditmas School in Brooklyn, New York, is an investment activity not routinely provided by other banks.

Chase's investments exhibited excellent responsiveness to the most pressing credit and community development needs in the bank's various assessment areas. Eighty-six percent, or \$725 million, of investments were directed to agencies that supported the development of affordable housing. Economic development activity directed through local CDFIs, either with deposits in local credit unions or investments in loan funds, limited partnerships and small business investment companies ("SBICs"), represented \$59 million or 7 percent of total activity. Activity directed to community service organizations totaled \$32 million or 4 percent of total activity. In addition, \$26 million or 3 percent of investments were in funds targeting revitalization of inner cities.

SERVICE TEST

The overall Chase rating on the service test is "outstanding" based on outstanding performance in the CMSA 5602 and USVI assessment areas and high satisfactory performance in the New York and Texas assessment areas. For details, see the four Table 15s in Appendix D.

Retail Services

Chase branches were readily accessible to all portions of the bank's assessment areas in all but the Texas assessment area where branches were only accessible to essentially all portions of the assessment area. The bank's record of opening and closing branches did not adversely affect the overall accessibility of the bank's delivery systems except in the New York assessment area where branches and automated teller machines ("ATMs") were sold. Products and services did not vary in a way that inconvenienced portions of the assessment areas. Business hours were reasonable and tailored to the needs of the various assessment areas. Extended business hours in the morning and evening and on weekends were regularly provided.

Chase employed multiple alternative delivery systems that effectively enhanced distribution of banking services throughout its assessment areas, including a network of almost 2,000 ATMs. Other alternative delivery services include:

- Bank-by-mail, bank-by-phone as well as numerous online services such as Chase Online for no-fee delivery of products and services via the Internet.
- Small Business Direct for one-on-one financial assistance via telephone, fax, computer and mail.
- Online Banking for Small Businesses providing electronic payment to employees and monthly tax payment services.
- Small Business Service Line providing access to small business products and services 24 hours a day, 365 days a year.

- Corporate Employee Financial Services (“CEFS”) providing various services to employees whose companies enroll in this direct-deposit program.
- Seven Small Business Resource Centers in New York and Texas, which accept loan applications and provide free information and technical assistance.
- Twenty-seven mortgage loan origination offices throughout the assessment areas operated by Chase’s mortgage subsidiary.

Community Development Services

Chase is a leader in providing community development services based on performance in both the CMSA 5602 and USVI assessment areas. In the New York and Texas assessment areas, the bank provided a good level of community development services throughout the areas. The bank sponsored or participated in several hundred workshops, seminars and conferences in cooperation with hundreds of nonprofit and governmental organizations throughout its assessment areas. Bank employees provided technical assistance to over 200 organizations.

In 2000, Chase and three other banks founded the Small Business Investment Alliance with a mission to educate community development fund investors. In line with this aim, Chase cosponsored and hosted an Investor Forum in 2000 and continues to participate in the Investors Circle, a national network of investors who seek community development investment opportunities.

Throughout its assessment areas, Chase sponsored and hosted training sessions for community development professionals under the program Credit Institute for Economic Development (“CIED”). Training consists of two- and three-day sessions on credit analysis, portfolio management and problem loan management. The bank oversees the curriculum and hires professional trainers and teachers. In addition, the bank operates the Not-For-Profit Resource Center, which helps smaller community organizations improve management efficiency. It is accessed via a toll-free phone or fax line.

Chase also works extensively with CDFIs in its assessment areas by providing technical assistance and administering numerous programs it has created to assist CDFIs in providing services in LMI communities and to LMI individuals and families.

COMPLIANCE WITH FAIR LENDING LAWS

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

MULTISTATE METROPOLITAN AREA

CRA RATING FOR MULTISTATE CMSA 5602 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA):¹ Outstanding.

The lending test is rated: Outstanding.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

The major factors supporting the rating follow:

- The volume of the bank's HMDA-related and small business loans originated or purchased represented excellent responsiveness to the CMSA credit needs.
- The overall geographic distribution of HMDA-related and small business loans reflected excellent penetration.
- The bank's level of community development loans and qualified investments in the CMSA was excellent.
- The distribution of loans among borrowers of different income levels and businesses of different sizes in the CMSA was good.
- Delivery systems were readily accessible to all portions of the bank's assessment area.

SCOPE OF EXAMINATION

In the CMSA 5602 assessment area, performance in PMSA 5600 (New York, NY) was most influential in determining the overall CMSA rating. This PMSA represents 55 percent of the population, 54 percent of LMI families, 88 percent of deposits, and 66 percent of branches in the CMSA assessment area. At this examination, PMSA 5600 (New York, NY) also represents 61 percent of home purchase loans, 50 percent of refinance loans, and 66 percent of small business loans in the CMSA assessment area.

For analytical purposes, PMSA 5660 (Newburgh, NY-PA) is not considered significant. The assessment area portion of the PMSA has a population of 27 thousand and encompasses only five census tracts, one of which is low-income with a population of 8,000. None of the five tracts are moderate-income. The fully explained examination scope begins on page BB4, and additional details are found in Appendix A.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 5602

New York City-based Chase is a full-service commercial bank providing a broad range of financial services to consumers and businesses. In terms of deposits, it is the largest bank in New

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.

York City, and during the examination period, Chase was the primary provider of HMDA-related and small business loans in the CMSA assessment area. In the CMSA assessment area, the bank had total deposits of \$100.3 billion as of June 30, 2000, representing 83 percent of the bank's total deposits.

In the Connecticut portion of the CMSA assessment area, Chase sold six full-service branches to Webster Bank in April 2000. This sale resulted in Chase's exit from New Haven and Litchfield Counties, located in PMSA 8880 (Waterbury, CT), and a reduction in the size of the bank's CMSA assessment area. PMSA 8880 is no longer in the bank's assessment area, and the assessment area portion of PMSA 5480 (New Haven-Meriden, CT) was reduced.

At this examination the bank's assessment area within multistate CMSA 5602 includes the following PMSAs:

- PMSA 5600 (New York, NY), including Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland and Westchester Counties.
- PMSA 5380 (Nassau-Suffolk, NY), including Nassau and Suffolk Counties.
- Part of PMSA 5660 (Newburgh, NY-PA), including the Orange County town of Monroe only.
- PMSA 0875 (Bergen-Passaic, NJ), including Bergen and Passaic Counties.
- PMSA 3640 (Jersey City, NJ), including Hudson County.
- Part of PMSA 5640 (Newark, NJ), including Essex and Union Counties, and a portion of Morris County.
- Part of PMSA 1160 (Bridgeport, CT), consisting of portions of Fairfield and New Haven Counties.
- PMSA 1930 (Danbury, CT), including portions of Fairfield and Litchfield Counties.
- Part of PMSA 5480 (New Haven-Meriden, CT), consisting of a portion of New Haven County.
- PMSA 8040 (Stamford-Norwalk, CT), consisting of a portion of Fairfield County.

As of December 31, 2000, the end of the examination period, Chase operated 375 full-service retail branches in the CMSA. Of the total number of branches in the CMSA, 309 or 82 percent were located in the New York State portion of the CMSA. Of these 309 branches, 247 or 80 percent were located in PMSA 5600 (New York, NY). The branches in the New York State portion of the CMSA account for approximately 96 percent of the bank's branch deposits in the CMSA. Chase operated 31 full-service retail branches in the Connecticut portion of the CMSA and 35 in the New Jersey portion.

The bank's performance is evaluated in terms of the context in which it operates. The demographic and economic information presented below and in Exhibit 3 on page BB21 was obtained from publicly available sources. These include the U.S. Department of Labor's Bureau of Labor Statistics, the U.S. Department of Housing and Urban Development ("HUD"), the New

York State Department of Labor, the Connecticut State Department of Labor, the New York Association of Realtors, and the U.S. Census Bureau.

PERFORMANCE CONTEXT

CMSA 5602

Demographic Characteristics

CMSA 5602 consists of the areas of southern New York, western Connecticut and northeastern New Jersey generally termed the New York metropolitan area. According to the 1990 Census, the population of the assessment area portion of the CMSA totals 15.7 million, 71.3 percent of which is in New York. Of the CMSA population, 4.7 million, or 30 percent, reside in LMI geographies, with 64 percent of the LMI population residing in PMSA 5600 (New York, NY).

The 2000 Census indicated that the population of CMSA 5602 is 21.2 million, an 8 percent increase since 1990.

Income Characteristics

The 1999 HUD estimated median family income ranges from a high of \$94,300 in PMSA 8040 (Stamford-Norwalk, CT) to a low of \$51,100 in PMSA 3640 (Jersey City, NJ). The 2000 estimated median family income ranges from \$102,400 to \$53,200 in the same PMSAs.

The assessment area contains 4,221 populated census tracts, of which 1,323 or 31.4 percent, are LMI. Most of these LMI tracts (73 percent) are located in the New York portion of the CMSA.

Housing Characteristics

Housing costs in the assessment area are high, especially in relation to income levels. According to the 1990 Census, the median housing value in the assessment area portion of CMSA 5602 is \$197 thousand. High values are found in the more suburban segments of the assessment area, as well as in Manhattan (New York County), while lesser values were found in other counties of New York City and the urban areas of New Jersey and Connecticut.

During the examination period, real estate prices continued to soar in the assessment area portion of the CMSA. Price increases in 1999 and 2000 caused current selling prices to exceed the 1990 Census figure in most areas. According to the Corcoran Report, in Manhattan during 2000 the average sales price was \$754 thousand, up 23 percent from the 1999 figure of \$614 thousand. Home sales were also very strong in the city's outer boroughs and suburbs.

According to the New York State Association of Realtors, statewide sales of existing homes in 1999 set a record for the second consecutive year with the average selling price reaching \$123,500, a 7 percent increase from 1998. The New Jersey Association of Realtors indicated that sales of existing single-family homes increased 9 percent in 1999 compared with 1998, and the

median sales price of \$205 thousand was 4 percent higher than the 1998 figure. This trend was especially strong in northern New Jersey. Home sales were up 40 percent in Passaic County and 19 percent in Essex County.

Labor, Employment and Economic Characteristics

Employment in CMSA 5602 expanded during the examination period despite minor bumps in the economy, such as developments in securities and computer-related services that threatened to slow job growth. Despite these obstacles, unemployment rates fell slightly in most areas of the CMSA during the examination period.

Representing the largest annual rate of job growth in the last 15 years, New York State added 172,200 jobs, or 2 percent, in 2000. Employment gains were led by the nearly 7 percent increase in jobs in the business services and construction sectors. Similarly, employment in New Jersey increased by 59,100 jobs or 1.7 percent in the same period.

The decline in apparel and textile manufacturing in CMSA 5602 negatively impacted many areas such as Newark, New Jersey, and New York City. However, increases in printing and publishing employment in New York City had a positive effect.

Assessment Area Credit Needs

Community contacts indicated a need for credit for both affordable housing and small businesses in the cities of CMSA 5602. Flexible lending programs, particularly in the area of housing, also are needed because of the sharp disparity between incomes and housing costs in the tri-state area.

In the New York portion of CMSA 5602, community contacts stated that a lack of Section 8 certificates and other subsidies has made it more difficult to build affordable housing for LMI families. Unemployment is still acute in LMI areas such as Harlem despite financial benefits to the city overall from Wall Street. Thus, a focus on creating more business opportunities, and therefore more jobs, is considered important in such LMI areas.

Financial technical assistance also is needed both for small businesses and LMI families considering first-time homeownership. A community contact in New Jersey indicated that bank participation is needed in small business micro-lending programs, involving either lending or financial technical assistance. A Connecticut community contact noted a need for more affordable rental housing in the city of Stamford.

Affordable rental housing for LMI families is also a credit need in the CMSA's cities. Homeownership is out of reach for many such families living in cities where housing prices can be 4 to 13 times higher than the estimated median family income.

NEW YORK

The New York portion of the CMSA is the most significant as it contains the largest number of the bank's branches and deposits, as well as the largest number of residents and businesses. It also provides the most opportunities for lending in LMI geographies and to LMI borrowers and small businesses. Based on 1999 data, in the New York portion of the CMSA assessment area, Chase has the largest deposit market share and is the main provider of both HMDA-related and small business loans. Primary competitors include Citibank, HSBC Bank and Fleet Bank.

Demographic Characteristics

According to the 1990 Census, the New York portion of the CMSA assessment area has a population of approximately 11.2 million. PMSA 5600 (New York, NY) contains the largest segment with a population of 8.5 million. New York City is Chase's largest portion of the assessment area. The 2000 Census put the city's population at 8 million, which represents a 9 percent increase since 1990.

Based on the 1990 Census, PMSA 5380 (Nassau-Suffolk, NY), the other major segment of the New York portion of the assessment area, has a total population of approximately 2.6 million, or 23 percent of the total New York population.

Income Characteristics

The 1990 median family income for PMSA 5600 (New York, NY) is \$41,476, significantly lower than the \$48,039 median family income of the CMSA. This is the result of lower income levels in the five counties of New York City (Bronx, Kings, New York, Queens and Richmond) compared with the three suburban counties of the PMSA (Putnam, Rockland and Westchester). The 1999 estimated median family income for PMSA 5600 is \$53,400, and the PMSA's 2000 estimated median family income is \$56,200. In PMSA 5380 (Nassau-Suffolk, NY), the 1990 median family income is \$59,172, the 1999 estimated median family income is \$73,300, and the 2000 estimated median family income is \$76,500.

Of the census tracts considered for analysis, 27 percent in the New York portion of the CMSA are LMI. Most of the LMI tracts (90 percent) are located in PMSA 5600 (New York, NY), primarily in Kings County (38 percent) and Bronx County (23 percent). The Long Island PMSA contains only 10 percent of the LMI tracts. They are generally located in Suffolk County.

The 1990 Census indicates that 41 percent of families in the New York portion of the CMSA are upper-income, 20 percent are middle-income, 16 percent are moderate-income, and 23 percent are low-income. Twelve percent are below the poverty level.

Housing Characteristics

The 4.4 million housing units in the New York portion of the CMSA assessment area represent 71.5 percent of the housing units in the overall CMSA assessment area. PMSA 5600 (New York, NY) accounts for 79 percent of the New York housing units while PMSA 5380 (Nassau-Suffolk,

NY) accounts for the remaining 21 percent. The level of owner-occupancy varies greatly between the suburban and urban counties in the PMSAs. In PMSA 5600 (New York, NY), 31 percent of housing units are owner-occupied and 63 percent are rental. PMSA 5380 (Nassau-Suffolk, NY) has a much higher owner-occupancy rate of 74 percent, and only 18 percent are rental units.

According to the 1990 Census, the median housing value for the PMSA 5600 (New York, NY) is \$207,142. In PMSA 5380 (Nassau-Suffolk, NY) the 1990 median housing value is \$206,598. Housing costs have increased since the 1990 Census. According to the New York State Association of Realtors, in the New York portion of the CMSA assessment area, the 2001 average housing price ranges from a high of \$754,000 in New York County to \$214,400 in Suffolk County. According to the Corcoran Report, the average selling price of a home in New York County was high at \$754 thousand in 2000. In contrast, the realtors association puts Suffolk County's median housing price at \$165 thousand for the same year.

Labor, Employment and Economic Characteristics

The impact of economic trends in the past decade has varied substantially by region across the state. Much of the New York portion of CMSA 5602 experienced significant growth as global demand for financial market services increased and the commercial real estate market expanded rapidly. The strong economy here also generated higher tax revenues, raised home prices and attracted high-end retailers.

The primary job generators were services, wholesale/retail trade, and the finance, insurance and real estate ("FIRE") category. According to the Bureau of Labor Statistics, in PMSA 5600 (New York, NY), the unemployment rate was 5.3 percent in 2000 compared with 6.2 percent in 1999. This trend of decreased unemployment continued in PMSA 5380 (Nassau-Suffolk, NY) where the jobless rate fell to 3.2 percent in 2000 from 3.5 percent in 1999.

NEW JERSEY

In the New Jersey segment of the CMSA, Chase has a deposit share of 4 percent, and its HMDA-related market share was 4 percent and small business 9 percent. Primary competitors include PNC Bank, First Union and Fleet.

Demographic Characteristics

The New Jersey portion of the CMSA assessment area has a population of approximately 3.4 million, according to the 1990 Census. PMSA 5640 (Newark, NJ) has the largest segment with an assessment area population of 1.6 million, followed by PMSA 0875 (Bergen-Passaic, NJ) with 1.3 million.

The area is a mix of urban and suburban communities. Historically, Essex County in PMSA 5640 (Newark, NJ) has been New Jersey's industrial and financial center. Newark, the Essex County seat, is one of the nation's poorest cities, but PMSA 5640 (Newark, NJ) has the most opportunities for LMI lending with 36 percent of the population residing in LMI tracts.

The 2000 Census indicated that the city of Newark has a population of 274 thousand, a 1 percent decline since 1990. In contrast, Jersey City's population of 240 thousand shows a 5 percent increase since 1990.

Income Characteristics

Of the three PMSAs in the New Jersey portion of the assessment area, PMSA 0875 (Bergen-Passaic, NJ) has the highest income level. The 1999 and 2000 estimated median family incomes for PMSA 0875 are \$69,500 and \$72,600, respectively. In PMSA 5640 (Newark, NJ), the 1999 and 2000 estimated median family income figures are \$67,900 and \$70,600, respectively. The estimated median family incomes in PMSA 3640 (Jersey City, NJ) are \$51,100 in 1999 and \$53,200 in 2000.

Thirty-seven percent of the census tracts in the New Jersey portion of the CMSA are LMI; most (55 percent) are located in the PMSA 5640 (Newark, NJ) while 33 percent are located in PMSA 0875 (Bergen-Passaic, NJ).

According to the 1990 Census, 39 percent of the New Jersey portion of the CMSA families are upper-income, 22 percent are middle-income, 18 percent are moderate-income, and 21 percent are low-income. Overall, 7 percent of families are below the poverty level, but in PMSA 3640 (Jersey City, NJ), 12 percent of the families are below the poverty level.

Housing Characteristics

The 1.3 million housing units in the New Jersey portion of the CMSA assessment area represent 21 percent of the housing units in the overall CMSA assessment area. PMSA 5640 (Newark, NJ) accounts for 45 percent of the New Jersey housing units. PMSA 0875 (Bergen-Passaic, NJ) and PMSA 3640 (Jersey City, NJ) account for 37 percent and 18 percent, respectively. In PMSA 5640 (Newark, NJ) and PMSA 0875 (Bergen-Passaic, NJ), the number of owner-occupied housing units averages 57 percent while rental units total about 38 percent of housing units. In PMSA 3640 (Jersey City, NJ), however, the level of owner-occupancy is only 30 percent. In the LMI census tracts of the New Jersey portion of the assessment area, 67 percent of the housing units are rental units.

In PMSA 5640 (Newark, NJ), the 1990 median housing value is \$177 thousand. The 1990 median housing value in PMSA 0875 (Bergen-Passaic, NJ) is \$209 thousand, while in PMSA 3640 (Jersey City, NJ) the 1990 median housing value is \$151 thousand. According to the New Jersey Association of Realtors, the 2000 average housing price in Bergen County is \$327,187 and \$199,733 in Passaic County. In the Morris County portion of PMSA 5640, the 2000 average housing price is \$323,741.

Labor, Employment and Economic Characteristics

Like other parts of the CMSA, the northern New Jersey economy continued to grow during the examination period. The total number of jobs throughout the state grew 2.5 percent in 2000,

which is slightly lower than the state's 2.6 percent growth rate in 1999. Employment shifts from manufacturing to service has negatively impacted older areas such as Union and Passaic Counties as well as the city of Newark. However, with the expansion of local government employment as well as the service, trade and construction sectors, the unemployment rate fell in all New Jersey portions of the CMSA during the examination period.

According to the Bureau of Labor Statistics, in 1999 PMSA 0875 (Bergen-Passaic) had an unemployment rate of 4.6 percent, which decreased to 3.7 percent in 2000. Similarly, in PMSA 5640 (Newark, NJ) the 1999 unemployment rate was 4.5 percent, but then decreased to 3.7 percent the following year. PMSA 3640 (Jersey City, NJ) has the highest unemployment rate in the CMSA at 7.3 percent in 1999 and 5.7 percent in 2000.

CONNECTICUT

In the Connecticut assessment area, Chase's market share in terms of deposits is 8 percent while its HMDA-related market share is 6 percent and small business market share 11 percent. Primary competitors include First Union, Peoples Bank and Fleet.

Demographic Characteristics

According to the 1990 Census, the Connecticut portion of the CMSA assessment area has a population of approximately 1.1 million. PMSA 1160 (Bridgeport, CT) represents the largest segment with a population of 385 thousand, or 35 percent. PMSA 8040 (Stamford, Norwalk, CT) represents over a quarter of the Connecticut portion of the assessment area with a population of 329 thousand, or 30 percent.

The 2000 Census shows that the cities of Bridgeport and New Haven have populations of 140 thousand and 124 thousand, respectively. Both figures represent declines in population since 1990. Bridgeport's population fell 2 percent while New Haven's declined 5 percent. Stamford's population of 117 thousand represents an 8 percent increase since 1990.

Income Characteristics

Based on the 1990 Census, PMSA 8040 (Stamford-Norwalk, CT) has the highest median family income, \$78 thousand, of the four PMSAs in the Connecticut portion of the assessment area. This figure increased in 1999, causing the 1999 estimated median family income in PMSA 8040 (Stamford-Norwalk, CT) to rise to \$94,300. The 2000 estimated median family income in PMSA 8040 (Stamford-Norwalk, CT) is \$102,400.

Based on the 1990 Census, PMSA 5480 (New Haven-Meriden, CT) has the lowest median family income in the Connecticut portion of CMSA 5602 with \$38,213. Estimated HUD-adjusted median family incomes for the PMSA are \$58,500 for 1999 and \$60,600 for 2000. Although the assessment area portion of Connecticut has some of the nation's wealthiest communities (including Darien, Greenwich and New Canaan), it also contains the economically depressed cities of Bridgeport and New Haven.

Thirty-one percent of the census tracts in the Connecticut portion of the CMSA are LMI. Most of the LMI tracts (37 percent) are located in PMSA 1160 (Bridgeport, CT). PMSA 8040 (Stamford-Norwalk, CT) and PMSA 5480 (New Haven-Meriden, CT) each represent 27 percent of the LMI census tracts.

According to the 1990 Census, 38 percent of the families in the Connecticut portion of the CMSA are upper-income, 23 percent are middle-income, 19 percent are moderate-income, and 20 percent are low-income. Six percent of the families subsist below poverty level.

Housing Characteristics

The Connecticut portion of the CMSA assessment area has 438 thousand housing units, representing 7 percent of the housing units in the overall CMSA assessment area. PMSA 8040 (Stamford-Norwalk, CT) with 30 percent and PMSA 1160 (Bridgeport, CT) with 34 percent together represent 64 percent of the Connecticut housing units in the assessment area. In PMSA 8040 (Stamford-Norwalk, CT), 63 percent of the housing units are owner-occupied and 31 percent are rental units. In PMSA 1160 (Bridgeport, CT), 64 percent of the housing units are owner-occupied, while 30 percent are rentals. PMSA 1930 (Danbury, CT) and PMSA 5480 (New Haven-Meriden, CT) account for approximately 36 percent of the housing units in the Connecticut portion of the CMSA assessment area.

The owner-occupancy rate for PMSA 1930 (Danbury, CT) is 69 percent, but the rate is much lower for PMSA 5480 (New Haven-Meriden, CT) at 39 percent. The rental rates for PMSA 1930 (Danbury, CT) and PMSA 5480 (New Haven-Meriden, CT) are 22 percent and 52 percent respectively. Within the LMI census tracts, 61 percent of the housing units are rentals.

According to the 1990 Census, PMSA 1160 (Bridgeport, CT) and PMSA 8040 (Stamford-Norwalk, CT), the two largest PMSAs, have median housing values of \$184,623 and \$325,638, respectively. In PMSA 1930 (Danbury, CT), the 1990 median housing value is \$220,688. PMSA 5480 (New Haven-Meriden, CT) has the lowest 1990 median housing value, \$152,542.

Connecticut's Department of Economic and Community Development puts average housing prices in 1999 (the most current available data) for Fairfield, Litchfield and New Haven Counties at \$394 thousand, \$214 thousand and \$105 thousand, respectively.

Labor, Employment and Economic Characteristics

The unemployment rate in this southwestern portion of Connecticut also decreased from 1999 to 2000. According to the Bureau of Labor Statistics, PMSA 8040 (Stamford-Norwalk, CT) continued in 1999 to have a low unemployment rate of 2.1 percent, decreasing further the following year to 1.4 percent, the lowest in the CMSA. PMSA 1160 (Bridgeport, CT) had the highest unemployment rate in the Connecticut portion of the CMSA with 3.9 percent in 1999 and 2.7 percent in 2000.

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	577	13.6	359,576	9.1	146,455	36.8	874,664	22.2	
Moderate-income	746	17.7	725,261	18.4	125,704	31.5	662,483	16.8	
Middle-income	1,660	39.4	1,632,522	41.4	95,015	23.8	827,842	21.0	
Upper-income	1,238	29.3	1,228,125	31.1	31,549	7.9	1,580,495	40.0	
Total Assessment Area	4,221	100.0	3,945,484	100.0	398,723	100.0	3,945,484	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacancy			
		#	%	#	%	#	%		
Low-income		41,424	1.5	466,516	15.4	34,942	9.4		
Moderate-income		280,838	10.5	800,470	26.4	85,505	22.9		
Middle-income		1,247,500	45.9	1,075,058	35.3	134,482	36.2		
Upper-income		1,149,033	42.3	699,352	23.0	117,494	31.5		
Total Assessment Area		2,718,795	100.0	3,041,396	100.0	372,423	100.0		
		Businesses by Tract and Revenue Size							
		Total Businesses by Tract		Under \$1 Million		Over \$1 Million			
		#	%	#	%	#	%		
Low-income		36,741	5.51	30,127	5.4	4,604	5.77		
Moderate-income		104,367	15.64	86,160	15.44	13,179	16.51		
Middle-income		255,538	38.30	217,041	38.89	27,310	34.20		
Upper-income		262,846	39.39	219,314	39.30	32,686	40.93		
Tract not reported		7,765	1.16	5,379	.97	2,071	2.59		
Total Assessment Area		667,257	100.0	558,021	100.0	79,850	100.0		

Note: The sum of businesses under \$1 million and businesses over \$1 million does not equal the total number of businesses because 29,386 businesses did not report revenue.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 5602

LENDING TEST

Chase's performance with respect to the lending test in CMSA 5602 is rated "outstanding." An analysis of the bank's lending activity, geographic distribution of loans and community development loans revealed excellent performance, while the distribution of loans among borrowers of different income levels and business of different sizes was good.

The facts and data used to evaluate the bank's performance in the assessment area is shown in the first set of cores tables in Appendix D. Lending activity is depicted in CMSA Table 1,.

geographic distribution is depicted in CMSA Tables 2-7, and borrower characteristics are depicted in CMSA Tables 8-12.

Lending Activity: Chase's lending activity showed excellent responsiveness to retail credit needs in CMSA 5602. During the examination period, the bank and its affiliates were the leading lender in the tri-state area in originated and purchased home purchase, refinance and small business loans. Chase originated and purchased a significant number of HMDA-related and small business loans in PMSA 5600 (New York, NY). Of the 148,168 HMDA-related and small business loans analyzed in the CMSA assessment area, 92,550 or 62 percent were in PMSA 5600 (New York, NY). For details, see CMSA Table 1: Lending Volume.

Geographic Distribution of Lending: The overall geographic distribution of retail loans reflected excellent loan penetration in both low- and moderate-income geographies, although performance varied between HMDA-related loans and small loans to businesses. This conclusion is based primarily on performance in PMSA 5600 (New York, NY) with 60 percent of lending.

Home Purchase Loans and Refinancings

When compared with the level of owner-occupied housing units, the overall geographic distribution of home purchase loans and refinancings across census tracts of different income levels reflected excellent penetration in both low- and moderate-income geographies. Chase's level of lending in LMI geographies for home purchase loans exceeded the aggregate in all PMSAs in the CMSA except PMSA 3640 (Jersey City, NJ), as shown in CMSA Table 2. Refinance lending exceeded the aggregate in all the moderate-income geographies; however, some weakness was noted in low-income geographies, particularly PMSA 5600 (New York, NY) and the Connecticut PMSAs.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses across geographies of different income levels reflected excellent penetration in the LMI geographies in the CMSA. The weight of the bank's LMI small business lending performance in the CMSA is based primarily on its performance in PMSA 5600 (New York, NY) as this PMSA had 62 percent of Chase's total lending in the CMSA.

Chase's level of small loans to businesses in LMI census tracts exceeded the aggregate in half the PMSAs in CMSA 5602, including PMSA 5600 (New York, NY). For details, see CMSA Table 6. Performance in PMSA 5380 (Nassau-Suffolk, NY), although good at this examination, declined since the previous examination. Chase also underperformed compared with the aggregate in PMSA 5380 (Nassau-Suffolk, NY). This historical weakness reflects the distribution of the bank's branches on Long Island, particularly Suffolk County. Of Chase's total lending in the CMSA, 21 percent was extended in PMSA 5380 (Nassau-Suffolk, NY).

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 based on the level of lending to moderate-income borrowers, high housing costs with respect to

income, and the high number of small business loans in amounts of \$100 thousand or less. The overall good performance was consistent throughout the significant PMSAs found in Chase's CMSA 5602 assessment area.

Home Purchase Loans

Overall, Chase's distribution of home purchase loans among moderate-income borrowers was good. The bank's percentage of loans to moderate-income borrowers was higher than the percentage of moderate-income families in five of the ten PMSAs in the assessment area. The bank met or exceeded the aggregate's performance in PMSA 5600 (New York, NY) and PMSA 5380 (Nassau-Suffolk, NY) while underperforming the aggregate in all other PMSAs. Seventy percent of loans analyzed were in PMSAs 5600 and 5380. The bank had poor distribution of home purchase loans to moderate-income borrowers in PMSA 3640 (Jersey City, NJ).

Chase's distribution of home purchase loans among low-income borrowers was adequate. The bank's percentage of home purchase loans to low-income borrowers compared with the percentage of low-income families in all the PMSAs was low. The aggregate exhibited similarly low performance. Such performance generally reflects the limited supply of affordable, owner-occupied housing caused by the significant gap between housing costs in the CMSA assessment area and borrower income levels as discussed in the performance context. Such a gap generally limits homeownership opportunities for low-income families.

Refinance Loans

Chase' distribution of refinance loans among moderate-income borrowers was good. The bank's percentage of refinance loans to moderate-income borrowers was higher than the percentage of moderate-income families in six of ten PMSAs. The bank underperformed the aggregate in PMSA 5600 (New York, NY) while performance varied in other PMSAs within CMSA 5602.

Chase's distribution of refinance loans among low-income borrowers was adequate. The bank's percentage of loans to low-income borrowers was low when compared with the percentage of low-income families in the PMSAs in CMSA 5602. The bank's performance was similar to the aggregate's performance. This low level of refinance lending to low-income borrowers generally reflects the low level of homeownership among low-income families. For details, see the discussion above on the limited supply of affordable housing in CMSA 5602. Those low-income families who are homeowners may not be in the market for refinancings even when interest rates are favorable because such families may already own their home through an affordable mortgage product with a reduced interest rate.

Small Loans to Businesses

Chases' record of lending to businesses of different sizes in CMSA 5602 was excellent. Approximately 93 percent of small loans to businesses originated in the assessment area during the examination period were for amounts of \$100 thousand or less. The average size of such loans was \$33 thousand, an amount that would meet the credit needs of smaller businesses.

Aggregate performance is skewed by a few high-volume credit card lenders such as American Express and Capital One. Business credit cards qualify as small business loans, but they are targeted to smaller business expenses and have smaller dollar amounts than loans used for working capital or accounts receivable financing. Reviewing the aggregate's performance without such high-volume credit card lenders is a more appropriate measure of Chase's small business lending performance.

In PMSA 5600 (New York, NY), where 93 percent of the bank's small business loans were for \$100 thousand or less, the aggregate (net of high volume credit card lenders) underperformed Chase with only 84 percent of small business loans for \$100 thousand or less. Chase's performance against the aggregate was similar in other PMSAs in CMSA 5602.

Chase's percentage of small business loans made to businesses with gross annual revenues ("GAR") of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. Furthermore, the bank's performance was considerably less than the aggregate's. However, a large number of Chase's small business loans (18 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be considered in the analysis. This makes a comparison with the aggregate ineffective when considering the bank's performance. The bank's management has indicated that these loans generally include credit card and automobile loans. Such loans are decided using a credit-scoring system that does not consider the revenue size of the business.

Community Development Lending: Chase's community development lending performance was excellent. During the examination period, community development loan commitments benefiting the CMSA assessment area totaled \$693 million, including \$223 million in community development lending that benefited statewide areas included in the CMSA assessment area. In addition to loan commitments, Chase issued \$81 million in letters of credit to support community development lending activities in the CMSA.

Most community development lending benefited the New York portion of the CMSA assessment area where commitments totaled \$674 million or 97 percent of total CMSA activity. Activity in the Connecticut portion of the CMSA totaled \$11 million or 2 percent of total activity. Activity in the New Jersey portion of the CMSA totaled \$8 million or 1 percent of total activity.

Much of Chase's community development lending in the CMSA was complex and innovative. For example, the bank established \$280 million in bridge loans and lines of credit to affordable housing developers and LIHTC syndicators. This included creating a CDFI Bridge Loan Fund where CDFI awardees could apply for immediate release of funds from Chase instead of waiting 9-12 months for the Treasury Department to release funds after an award is announced.

The bank also participated in other funding sources such as Global Resources for Affordable Neighborhood Development ("GRAND"), a loan pool established by foreign and wholesale banks in New York City that do not extend direct construction loans and could not otherwise participate in such activity.

Chase's community development lending efforts in CMSA 5602 targeted affordable housing, which community contacts identified as a critical need in the CMSA. Seventy percent of all CMSA loans were for affordable housing while 19 percent went to revitalize and stabilize LMI areas. Most of these loans were construction loans, which developed over 9,151 units of affordable housing.

Examples of community development loans originated during the evaluation period include:

- A \$15 million share of a \$178 million participation loan to renovate a condominium complex in the Bronx. The complex has over 12 thousand housing units which are affordable to LMI individuals.
- A \$8 million loan to construct 40 two-family homes in low-income census tracts in Queens.
- A \$1.2 million loan for the rehabilitation of a commercial building into a small business incubator with approximately 32 tenant spaces.

INVESTMENT TEST

Chase's rating for the investment test in CMSA 5602 is "outstanding." The bank's excellent level of qualified community development investments and grants exhibited strong responsiveness to credit and community development needs through organizations involved in affordable housing, economic development, community services, and revitalization and stabilization activities. For details, see CMSA Table 14.

The bank's level of investments in CMSA 5602 was strong, totaling \$750 million or 89 percent of total investments at this examination. In addition, the bank has \$433 million in unfunded investment commitments. Total investments consisted of \$713 million in investments in various agencies engaged in community development activity and \$37 million in charitable grants and contributions to organizations supporting community development projects and programs. Of total investments \$669 million or 89 percent benefits the New York portion of the CMSA assessment area, while \$51 million (7 percent) benefits the New Jersey portion and \$30 million (4 percent) benefits the Connecticut portion.

Approximately \$601 million or 80 percent of qualified investments are LIHTCs, which are considered complex because of accounting and monitoring requirements. In addition, \$1.9 million in innovative charitable grants and donations were made to the Ditmas School in Brooklyn to provide and maintain computer equipment for faculty members and students, who also receive computer training. Most of the students are from LMI families.

Chase's investments exhibited an excellent response to the most pressing credit and community development needs in the bank's assessment areas. Approximately 87 percent of investments were directed to agencies that supported the development of affordable housing, a primary credit need in the bank's assessment areas. Economic development activity (6 percent of investments) was primarily directed toward local CDFIs, which provide direct loans to very small businesses.

This helps meet small business credit needs, which were identified as an important community need throughout CMSA 5602.

SERVICE TEST

The bank's performance under the service test in CMSA 5602 is rated "outstanding." The rating is based on excellent delivery of retail services and Chase's leadership role in providing community development services.

Retail Services

Overall, delivery systems were readily accessible to all portions of the bank's assessment area when considering the percentage of the population residing in LMI geographies. For details, see CMSA Table 15. Of the 375 branches in the CMSA assessment area, 79 or 21 percent are located in low- or moderate-income geographies. In addition, 100 branches in non-LMI geographies are located adjacent to LMI geographies and thus were easily accessible to persons and businesses in LMI geographies. However, the New Jersey portion of the CMSA assessment area continued to reflect weak distribution of branches in and around LMI geographies.

Chase employed multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the CMSA 5602 assessment area, as discussed in the Institution section of this report. The bank maintained approximately 1,300 ATMs in the CMSA. Ninety-nine percent of the branches had one or more ATMs on site. Throughout the CMSA, the bank provided 148 off-site or remote ATMs with 54 ATMs or 36 percent in LMI areas. The off-site ATMs were located in supermarkets, hospitals, airports and office buildings. The bank's mortgage affiliate maintained ten loan offices in the New York portion of the CMSA. One office was in an LMI geography, and five in non-LMI locations were adjacent to LMI geographies.

Changes in branch locations, as detailed in CMSA Table 15, have not adversely affected the accessibility of the bank's delivery systems, particularly in LMI geographies and to LMI individuals. Twenty-seven branches primarily in PMSA 5600 (New York, NY) and PMSA 5380 (Nassau-Suffolk, NY) were closed and consolidated into existing branches. Three of the consolidated branches in LMI areas were merged into branches in non-LMI geographies, but within accessible distances. A branch was opened in a low-income geography in PMSA 5600 (New York, NY).

Branch products and services did not vary in a way that inconveniences certain portions of the bank's assessment areas, particularly in LMI geographies and to LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 86 percent of branches provided extended hours on weekdays and/or weekends.

Community Development Services

Chase is a leader in providing community development services. The bank participated in 354 seminars, workshops and conferences in cooperation with organizations such as the Jersey City Affordable Housing Coalition and the Yonkers Empire Development Zone.

Approximately 200 officers and employees provided technical assistance by serving on boards and committees of 175 community groups serving the needs of LMI persons and areas. These organizations include Bridgeport Enterprise Community Partnership, La Casa de Don Padro in Newark, ACCION New York, and Abyssinian Development Corporation and Westchester Residential Opportunities, Inc., both in New York. Also, Chase was involved in 41 short-term special projects where employees provided technical assistance to various community groups. These projects generally involved planning and automation. In addition, the bank provided the talents of 16 graduate student interns to work with groups such as the Non-Profit Resource Connection in Paterson, New Jersey, a training program for nonprofit organizations interested in creating affordable housing in the city and surrounding areas.

The bank provided an array of special services, including an accounting services program, to meet the needs of approximately 75 CDFIs in the New York and New Jersey portions of the CMSA. Chase acts as the lead institution in attracting other lenders to support these CDFIs via a syndicated funding program. Organizations such as New York Community Investment Corporation and Regional Economic Development Corporation have benefited from the syndication program.

Under the bank's pilot Loan Referral Program initiated in late 2000, Chase refers applicants who do not qualify for a Chase loan to the CDFI micro-loan intermediary, ACCION New York. The CDFI Bridge Loan Program was also initiated during the examination period to provide bridge loans for CDFIs awaiting receipt of funds under the U.S. Treasury's CDFI award program. In addition, Chase underwrites loans initiated from other lenders and from high net worth individuals in the CDFI Loan Guarantee Program. The Nonprofit Finance Fund has benefited from this program.

In December 1999, the Office of the Chairman of Chase initiated a unique operation called the Neighborhood Digital Education Community Program. The Ditmas Junior High School, P.S. 62 in the Kensington section of Brooklyn, was chosen for the first project. The objective is to improve students' learning environments by providing technological resources, support and training for the entire school community -- administrators, teachers, staff, students and parents. Approximately 1,500 Chase employees installed 1,300 bank-donated computers in the homes of students, staff and teachers, and the bank provides ongoing technical support and mentoring.

The bank donated or sold (for \$1) office locations to several nonprofit community groups in the CMSA to use as office space, a technology center, and sites for small business and job training programs. Chase frequently hires graduates of these training programs, many of which have a welfare-to-work focus.

In Connecticut, Chase offers an Individual Development Account ("IDA") in addition to all other products and services offered at full-service branches. The bank partnered with CTE, Inc., a community action agency serving the greater Stamford area. The savings accounts are used to build assets for first-time home purchase, education or small business capitalization. For every dollar saved, CTE provides 50 cents in matching funds, up to \$400 per account.

As of January 1999, non-bank customers were provided free use of ATMs at 58 branches and 4 off-site locations in New York City and Connecticut, 94 percent of which are located in LMI geographies.

STATE

***CRA RATING FOR NEW YORK STATE:*² Satisfactory.**

The lending test is rated: High satisfactory.

The investment test is rated: High satisfactory.

The service test is rated: High satisfactory.

Major factors supporting the rating follow:

- The volume of Chase's HMDA-related and small business loans originated or purchased represented good responsiveness to the credit needs in the state.
- The overall geographic distribution of HMDA-related and small business loans reflected excellent penetration.
- The distribution of loans among borrowers of different income levels and businesses of different sizes in New York State was good.
- The bank had an excellent level of community development loans and a significant level of qualified investments in the state.
- Delivery systems were accessible to essentially all portions of the bank's New York State assessment area.

SCOPE OF EXAMINATION

For the New York State rating, a full-scope analysis was conducted for all MSAs in Chase's New York assessment area. Primary reliance was placed on performance in MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY) as they contain all the bank's retail branches and 71 percent of deposits in the combined New York State assessment areas. They also account for 63 percent of home purchase loans, 59 percent of refinance loans, and 80 percent of small business loans in the combined state assessment areas. A full explanation of the scope of the examination begins on BB4, and Appendix A has additional details.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK STATE

As of December 31, 2000, the end of the examination period, Chase operated 43 full-service retail branches in the New York assessment area, representing 8 percent of all retail branches in the bank's combined assessment areas. The branches account for approximately \$3.1 billion in deposits, or 3 percent of the bank's total branch deposits in its combined assessment areas. The largest branch concentration in the New York assessment area was in MSA 6840 (Rochester, NY), with 29 branches or 67 percent.

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Changing its business focus in upstate New York in 1999, Chase exited the Jamestown and Steuben County markets and scaled back to middle market offices in Buffalo and Binghamton. Middle market offices generally provide services to government entities and businesses with revenues of \$3 million or more. This change led to the sale of 29 branches in these areas to M&T, and Chase reduced its retail branch presence to Rochester and Syracuse.

In addition, the bank maintains a middle market presence in MSA 0160 (Albany-Schenectady-Troy, NY), MSA 2335 (Elmira, NY), MSA 8680 (Utica-Rome, NY), MSA 0960 (Binghamton, NY) and MSA 1280 (Buffalo-Niagara Falls, NY). With the September 1999 branch sale to M&T, Chase withdrew its retail presence from the Binghamton and Buffalo markets.

Based on these changes, the bank excluded MSA 3610 (Jamestown, NY) and Steuben County from its assessment area at this examination. The new assessment area includes the following seven upstate MSAs:

- Part of MSA 1280 (Buffalo-Niagara Falls, NY), including Erie County.
- Part of MSA 6840 (Rochester, NY), including Monroe County and portions of Wayne and Ontario Counties.
- Part of MSA 8160 (Syracuse, NY), including Onondaga County and portions of Oswego and Madison Counties.
- Part of MSA 0960 (Binghamton, NY), including Broome County and a portion of Tioga County.
- MSA 2335 (Elmira, NY), including Chemung County.
- Part of MSA 8680 (Utica-Rome, NY), including Oneida County.
- Part of MSA 0160 (Albany-Schenectady-Troy, NY), including portions of Albany, Rensselaer, Schenectady and Saratoga Counties.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the population of the New York State assessment area is approximately 3.6 million, 66 percent of which is located in MSA 6840 (Rochester, NY), MSA 8160 (Syracuse, NY) and MSA 1280 (Buffalo-Niagara Falls, NY). Of the total New York State assessment area population, 782 thousand, or 22 percent, reside in LMI geographies, with 69 percent of this population in MSA 6840 (Rochester, NY), MSA 8160 (Syracuse, NY) and MSA 1280 (Buffalo-Niagara Falls, NY).

According to the 2000 Census, the cities of Buffalo, Syracuse and Rochester registered population declines of 11 percent, 10 percent and 5 percent, respectively, since 1990.

Income Characteristics

In the New York State assessment area, the 2000 estimated median family income ranges from a high of \$52,400 in PMSA 6840 (Rochester, NY) to a low of \$40,100 in PMSA 8680 (Utica-

Rome, NY). The 1999 estimated median family income ranges from \$50,600 in PMSA 6840 (Rochester, NY) to \$38,600 in PMSA 8680 (Utica-Rome, NY).

Of the census tracts considered for analysis, 29 percent in the New York State assessment area are LMI. Sixty-eight percent of the total LMI tracts in the assessment area are located in MSA 6840 (Rochester, NY), MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 8160 (Syracuse, NY). Of the 935 thousand families in the assessment area, 36 percent are LMI. Sixty-seven percent of the total LMI families are located in MSA 6840 (Rochester, NY), MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 8160 (Syracuse, NY).

Housing Characteristics

Of the state assessment area's 1.5 million housing units, 67 percent are located in MSA 6840 (Rochester, NY), MSA 0160 (Albany, NY) and MSA 1280 (Buffalo-Niagara Falls, NY).

According to the 1990 Census, median housing values ranged from a high of \$100,894 in MSA 0160 (Albany-Schenectady-Troy, NY) to \$52,623 in MSA 2335 (Elmira, NY). The housing values increased in the New York State assessment area over the past decade. According to the New York State Association of Realtors, the 2001 average selling price of a home ranged from \$144,932 in the Saratoga area of the Albany MSA to a low of \$62,774 in the Oswego portion of the Syracuse MSA.

Community contacts have indicated that population declines have contributed to a growing stock of vacant properties in need of rehabilitation. In addition, affordable rental housing is a critical credit need among LMI families in the assessment area.

Labor, Employment and Economic Characteristics

Overall, the upstate New York economy has been in decline for many years as a result of lost manufacturing jobs which were insufficiently offset by gains in other sectors such as service and retail. Employment declines in the manufacturing sector between 1969 and 1999 have ranged from 50 percent in Buffalo to 20 percent or more in Rochester and Syracuse. Service sectors that grew during this time include commercial banking and mortgage brokerage services in Buffalo, communications and data processing in Rochester, and computer and electronics manufacturing in Syracuse.

The unemployment rate declined from 1999 to 2000 in upstate areas such as Syracuse, Rochester, Buffalo and Albany. For these years, both the Rochester and Buffalo MSAs had similar declines in unemployment. In the Rochester MSA, the 1999 and 2000 unemployment rates were 4.3 percent and 4 percent, respectively. In the Buffalo MSA, the respective 1999 and 2000 unemployment rates were 5.4 percent and 5 percent. The Syracuse and Albany MSAs experienced smaller unemployment declines. The Syracuse MSA had 1999 and 2000 unemployment rates of 4.3 and 4.1 percent, respectively. The Albany MSA had respective 1999 and 2000 unemployment rates of 3.6 and 3.4 percent. The decline in the unemployment rates, however, probably reflect population declines more than employment opportunities.

Despite the job gains, various upstate employment sectors lost jobs from 1999 to 2000, including manufacturing in Rochester, Binghamton and Buffalo, and the FIRE category (finance, insurance and real estate) in Rochester and Utica. In Albany, the decline in manufacturing employment halted in 2000. Services and retail added employment during this period in Binghamton, Rochester and Utica. Syracuse also posted strong gains in service employment.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE

LENDING TEST

Chase's performance with respect to the lending test in the state is rated "high satisfactory," based primarily on performance in MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY).

The facts and data used to evaluate the bank's performance are shown in the New York State section of Appendix D. Lending activity is depicted in New York Table 1, geographic distribution is depicted in New York Tables 2-6, and borrower characteristics are depicted in New York Tables 8-11.

Lending Activity: Chase's responsiveness to credit needs in the New York State assessment area was good. Home purchase and refinance loans, as well as small business lending, increased overall since the prior examination, but declined from 1999 to 2000 because of the branch sale in Buffalo and Binghamton during the fourth quarter of 1999.

Activity in MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY) primarily determined the New York State rating. Accordingly, 45 percent and 26 percent of total lending activity in the New York State assessment area occurred in MSA 6840 and MSA 8160, respectively.

Geographic and Borrower Distribution: The overall geographic distribution of loans was excellent based on performance in MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY). The distribution of small business loans, which represents most of the loans in the assessment area, was excellent while the distribution of HMDA-related loans was somewhat weaker.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good, based mainly on performance in MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY). Overall HMDA-related lending was considered good primarily because of good performance with respect to moderate-income borrowers. Performance with respect to low-income borrowers was adequate but consistent with available opportunities. The distribution of loans among businesses was excellent.

Community Development Lending: Chase's community development lending performance was excellent. During the examination period, community development loan commitments in the New York State assessment area totaled \$9 million. Chase also issued \$115 million in letters of credit to support construction and rehabilitation of 1,983 units of affordable housing. Most community development lending was in the MSA 6840 (Rochester, NY) assessment area where commitments totaled \$6 million or 70 percent of New York State activity.

Most community development lending was targeted to affordable housing, a pressing assessment area need. Loans for affordable housing totaled \$7 million and supported the construction and rehabilitation of at least 103 units of affordable housing. Community development lending activity also included \$1 million in loans targeting economic development and \$1 million in loans for community services activities.

INVESTMENT TEST

In the New York assessment area, Chase had a good level of qualified community development investments and grants that exhibited strong responsiveness to credit and community development credit needs. For details, see New York State Table 14.

At this examination, qualified investments totaled \$18 million or 2 percent of the bank's total qualified investments. This included a \$7 million investment in collateral trust notes to develop affordable housing across the state assessment area. In addition, the bank has \$1 million in unfunded commitments. Total investments consisted of \$17 million in investments in various agencies engaged in community development activity and \$1 million in charitable grants and contributions to organizations supporting community development projects and programs. Most qualified investments were made in MSA 6840 (Rochester, NY), where activity totaled \$9 million or 50 percent of total investments in the combined New York assessment areas.

Approximately \$6 million or 33 percent of qualified investments are LIHTCs, which are considered complex because of accounting and monitoring requirements.

As discussed in the Institution section starting on page BB2, Chase's investments showed an excellent response to the most pressing credit and community development needs in the bank's assessment areas. Approximately 72 percent of investments were directed to agencies that support affordable housing development, a primary credit need in the bank's assessment areas. Twenty-four percent of activity was directed primarily to economic development, including local CDFIs which provide direct loans to very small businesses. This helps meet small business credit needs, identified as an important community need in the New York assessment areas.

SERVICE TEST

Chase is rated "high satisfactory" on the service test based on good delivery of retail and community development services. The conclusions are based primarily on performance in MSA 8160 (Syracuse, NY) and MSA 6840 (Rochester, NY).

Retail Services

The bank's branch delivery systems were readily accessible to geographies and individuals of different income levels in the assessment area. As discussed in the Institution section, Chase effectively used alternative delivery systems including ATMs, mortgage loan origination offices

and the Corporate Employee Financial Services Program to enhance delivery of its products and services.

To the extent changes were made, the bank's record of opening and closing branches adversely affected the accessibility of its delivery systems, specifically in the LMI areas of Buffalo and Binghamton. In addition to the 19 branches sold to M&T, 10 other branches were sold to M&T as part of the September 1999 sale. Eight branches were located in MSA 3610 (Jamestown, NY) and two were in non-MSA Steuben County. These two markets are no longer part of Chase's assessment area.

Products and services at the retail branches did not vary in a way that inconveniences the bank's assessment areas, and the bank regularly provided extended business hours mornings and evenings and on Saturdays.

Community Development Services

Overall, the bank provided a high level of community development services throughout the assessment area during the examination period. Chase conducted or participated in numerous seminars and workshops providing instruction on financial literacy and, mainly, affordable housing.

Technical support was provided to numerous organizations. Chase joined with four nationwide banks and the U.S. Small Business Administration ("SBA") to create a pilot program in Syracuse and Rochester to provide pre- and post-closing technical assistance to businesses in LMI urban and rural areas. Other community development services were discussed in the Institution section of this report.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 6840 (ROCHESTER, NY)

Chase's presence in its New York State assessment area is concentrated in MSA 6840 (Rochester, NY). As of December 31, 2000, the bank maintained 29 branches, or 67 percent of all Chase retail branches in its state assessment area, in the assessment area portion of MSA 6840. Ninety percent of the branches (26) were concentrated in Monroe County, primarily in the city of Rochester and suburbs. The branches contained approximately \$1.6 billion in deposits or 51 percent of the bank's deposits in the overall New York State assessment area.

During the examination period, Chase and its affiliates reported 2,370 home purchase loans and refinancings and 2,855 small business loans in the assessment area portion of the Rochester MSA, representing the largest volume of lending in any New York State assessment area. The loans represent approximately 42 percent and 47 percent, respectively, of such activity in the overall New York State assessment area.

Based on deposits reported to the FDIC on June 30, 1999, Chase ranks fifth with an 11 percent market share of all bank branch deposits in MSA 6840 (Rochester, NY). For 1999 Chase is fifth among banks with a 5 percent market share of all reported HMDA-related loans, and third among banks with a 11 percent market share of reported small business loans in the MSA.

The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990), the U.S. Department of Labor, the New York State Association of Realtors, the FRBNY Research and Market Analysis Group, and the Chase Manhattan Bank Economics Department. For demographic details, see Exhibit 4 on page BB37.

PERFORMANCE CONTEXT

Demographic Characteristics

Of the six counties in MSA 6840 (Rochester, NY), Chase includes Monroe County and portions of Wayne and Ontario Counties in its assessment area. The assessment area portion of the MSA has a population of approximately 816 thousand, with 88 percent or 714 thousand in Monroe County. The population in MSA 6840 (Rochester, NY) constitutes 23 percent of the New York assessment area population. Monroe County contains the city of Rochester, the MSA's major population center. The 2000 Census indicated that Rochester's population declined 5 percent since 1990.

Income Characteristics

In 1999 and 2000, the HUD adjusted median family income for MSA 6840 (Rochester, NY) was \$50,600 and \$52,400, respectively. All the LMI tracts in the MSA are located in Monroe County, primarily Rochester.

Housing Characteristics

Of the 325,343 housing units in the assessment area portion of the MSA, 205,343 or 63 percent are owner-occupied and 103,601 or 32 percent are rentals. Within LMI tracts, however, the level of owner-occupancy is only 38 percent while rental units represent 54 percent of all housing units. Housing stock in Rochester is old, dating back to the 1950s and even the 1940s in LMI tracts. A community contact indicated that the city has seen a dramatic increase in the number of vacant properties as a result of mortgage foreclosures. The contact noted the need for rehabilitation funding for these vacant properties, many of which become a blight on adjacent neighborhoods as they remain unoccupied over long periods.

Based on the 1990 Census, the median housing value in the assessment area is \$89,399. The housing values in MSA 6840 (Rochester, NY) have increased over the decade. According to the New York State Association of Realtors, the 2000 selling price of a home in the Rochester-Monroe County area averages \$111,584.

Labor, Employment and Economic Characteristics

The Rochester MSA lost 18 thousand manufacturing job since 1992, resulting in this industry accounting for less than 21 percent of employment in the assessment area. Since the first quarter of 1999, layoffs at Rochester's large companies -- Kodak, Xerox and Bausch & Lomb -- cost about 1,200 manufacturing jobs. These companies have been the primary drivers of the Rochester economy, and their cutbacks have facilitated a shift toward smaller service-provider companies. As manufacturing declined, the creation of jobs in the services sector accounts for 32 percent of the employment in this MSA. Growth in computer software and telecommunications has been substantial in the past decade, but total job growth remains lower than the statewide average. According to the Bureau of Labor Statistics, Rochester's communications employment increased 50 percent between 1997 and 2001.

The unemployment rate in MSA 6840 (Rochester, NY) was 4.3 percent in 1999, slipping to 4 percent in 2000.

EXHIBIT 4
Assessment Area Demographics
MSA 6840 (Rochester, NY)

INCOME CATEGORIES 2000 HUD Median Family Income (MSA): \$52,400	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	36	17	14,903	7.1	6,035	39.2	38,046	17.9
Moderate-income	34	16.7	22,500	10.6	3,751	24.4	35,371	16.7
Middle-income	92	45	109,813	51.7	4,656	30.2	51,276	24.2
Upper-income	44	21.4	65,045	30.6	960	6.2	87,568	41.2
Total Assessment Area	206	100.0	212,261	100.0	15,402	100.0	212,261	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacancy		
		#	%	#	%	#	%	
Low-income		6,659	3.3	16,887	16.3	3,110	18.8	
Moderate-income		19,326	9.3	20,628	19.9	2,664	16.1	
Middle-income		110,984	54.1	50,360	48.6	7,762	46.9	
Upper-income		68,230	33.3	15,726	15.2	3,007	18.2	
Total Assessment Area		205,199	100.0	103,601	100.0	16,543	100.0	
		Businesses by Tract and Revenue Size						
		Total Businesses by Tract		Under \$1 Million		Over \$1 Million		
		#	%	#	%	#	%	
Low-income		2,473	6.87	2,106	6.68	289	9.12	
Moderate-income		4,092	11.37	3,473	11.02	474	14.95	
Middle-income		17,723	49.26	15,670	49.71	1,438	45.36	
Upper-income		10,711	29.77	9,449	29.96	852	26.88	
Tract not reported		977	2.73	828	2.63	117	3.69	
Total Assessment Area		35,976	100.0	31,526	100.0	3,170	100.0	

Note: The sum of businesses under \$1 million and businesses over \$1 million does not equal the assessment area's total number of businesses because 1,280 businesses did not report revenues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 6840 (ROCHESTER, NY)

LENDING TEST

Chase's overall performance with respect to the lending test in this MSA was good. The geographic distribution of loans and community development lending activity were excellent, and lending activity and borrower distribution were good.

The facts and data used to evaluate the bank's performance are shown in the New York State section of Appendix D. Lending activity is depicted in New York Table 1, geographic

distribution is depicted in Tables New York 2-6, and borrower characteristics are depicted in Tables New York 8-11.

Lending Activity: Chase's responsiveness to retail credit needs in the assessment area portion of MSA 6840 (Rochester, NY) was good. Home purchase, refinance and small business lending increased since the previous examination. Approximately 55 percent of activity was small business lending, an important factor in a community trying to rebuild its economy.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected excellent loan penetration, although performance varied between HMDA-related loans and small loans to businesses, which represented most of the bank's lending activity.

Home Purchase Loans and Refinancings

When compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home purchase loans and refinancings across census tracts of different income levels reflected good penetration. Home purchase lending in moderate-income geographies was good and exceeded the aggregate. However, performance in low-income geographies was weaker and inconsistent with both the level of owner-occupied housing units and the aggregate. Refinance lending in LMI geographies was adequate, lagging behind the aggregate.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected excellent penetration throughout the MSA when compared with the number of small business locations. In addition, Chase's level of lending in LMI census tracts for small loans to businesses exceeded the aggregate in moderate-income geographies and was consistent in low-income geographies. For details, see New York Table 6.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans reflected good loan performance, although performance varied between HMDA-related loans and small loans to businesses, which represented most of the bank's lending activity.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels reflected good distribution. The bank's home purchase lending to moderate-income borrowers was excellent when compared with the level of owner-occupied housing units. This performance, however, trailed the aggregate. The bank's home purchase lending to low-income borrowers was adequate; the aggregate also exceeded this performance.

Refinancings

The distribution of refinance lending across borrower income levels reflected good distribution. The bank's refinancings to moderate-income borrowers was excellent when compared with the level of owner-occupied housing units. Such performance trailed the aggregate's performance, however. The bank's refinancings to low-income borrowers was poor but acceptable based on the similarly poor performance of the aggregate, thus indicating a lack of lending opportunities.

Small Loans to Businesses

The distribution of small loans to businesses of different sizes was excellent. Of all small business loans in MSA 6840 (Rochester, NY), 91 percent were for \$100 thousand or less. The size of such loans averaged \$28 thousand, an amount that would meet the credit needs of smaller businesses. A review of the aggregate net of large volume credit card lenders revealed that only 76 percent of the aggregate's small business loans were for \$100 thousand or less.

Community Development Lending: Chase's community development lending activity in MSA 6840 (Rochester, NY) was excellent, totaling \$6 million. In addition to loan commitments, the bank issued a \$7 million letter of credit targeting affordable housing. Performance is comparable to the previous examination when community development loan commitments totaled \$13 million. Lending for affordable housing initiatives totaled \$5 million or 83 percent of all MSA activity while small business development initiatives totaled \$1 million or 17 percent. Examples of community development lending in MSA 6840 (Rochester, NY) include:

- A \$3.7 million participation loan with the Greater Rochester Housing Partnership to build 59 units of affordable senior housing in the town of Henrietta. The project targets elderly households making 50 to 60 percent of area median income.
- A \$200 thousand line of credit to an organization providing community services to LMI individuals in upstate New York.

INVESTMENT TEST

The level of qualified investments in the Rochester MSA was excellent, totaling \$9 million. Investments include \$6 million in LIHTCs targeting affordable housing and \$1.5 million in local CDFIs promoting economic development in upstate New York, both important needs in the MSA. In addition, the MSA benefits from a \$7 million investment for affordable housing that assists the entire New York assessment area.

SERVICE TEST

Performance under the service test was excellent, based on Chase's excellent delivery of retail services and high level of community development services in the MSA.

Retail Services

The bank's delivery systems were readily accessible to geographies and individuals of different income levels in MSA 6840 (Rochester, NY). For details, see New York State Table 15. Of the 51 branches in the MSA, 5 or 10 percent were located in LMI geographies. Another five branches in non-LMI geographies were located adjacent to LMI geographies and thus also serve LMI geographies. This compares favorably with the percentage of population residing in LMI geographies.

Chase provided good alternative delivery systems. The bank maintained 54 ATMs in this MSA, with 20 percent in LMI tracts. Every branch had at least one on-site ATM. There were eight off-site ATMs. In addition, eight ATMs were maintained in the branches in non-LMI geographies located adjacent to LMI census tracts. Also, the bank's mortgage affiliate operates an office in a moderate-income geography. Other alternative delivery systems are discussed in the Institution section of this report.

Changes in branch locations did not impact the accessibility of the bank's services. The bank closed two branches, one of which was located in a low-income tract. Both closed branches were consolidated into nearby branches. The low-income branch was consolidated into a branch located in a moderate-income tract. No branches were opened. For details, see New York State Table 15.

Products and services did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and LMI individuals. Branch hours were tailored to the needs of the community, and 76 percent of the branches provided extended weekday and/or Saturday hours. All LMI branches maintained such hours.

Community Development Services

Chase provided a high level of community development services in this MSA. The bank participated in or sponsored 25 affordable housing seminars and workshops. Seven officers and employees provided technical assistance by serving on boards and committees of eight nonprofit organizations serving the needs of LMI individuals and geographies. The groups included Rochester Community Commercial Development Partnership, the Rochester Economic Development Corporation and the Housing Council.

Other community development services are discussed in the Institution section of this report, including the CIED (Credit Institute for Economic Development) program, which was available in Rochester.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 8160 (SYRACUSE, NY)

As of March 31, 1999, Chase maintained 14 branches, or 33 percent of all Chase retail branches in the New York State assessment area, in the assessment area portion of MSA 8160. All but two branches were in Onondaga County, primarily in the city of Syracuse and its suburbs. The branches contained approximately \$640 million in deposits or 21 percent of the bank's deposits in the overall New York State assessment area.

During the examination period, Chase and its affiliates reported 1,095 home purchase loans and refinancings and 1,936 small business loans in the assessment area portion of the Syracuse MSA. The loans represent approximately 19 percent and 32 percent, respectively, of such activity in the overall New York State assessment area.

Based on deposits reported to the FDIC on June 30, 1999, Chase ranks third with a 12 percent market share of all bank branch deposits in MSA 8160 (Syracuse, NY). For 1999 Chase is fifth among banks with a 4 percent market share of all reported HMDA-related loans and first among banks with a 14 percent market share of reported small business loans in the MSA.

The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990), the U.S. Department of Labor, the New York State Association of Realtors, the FRBNY Research and Market Analysis Group, and the Chase Manhattan Bank Economics Department. For details, see Exhibit 5 on page BB43.

PERFORMANCE CONTEXT

Demographic Characteristics

In MSA 8160 (Syracuse, NY), Chase's assessment area includes Onondaga County and portions of Oswego and Madison Counties. According to the 1990 Census, the assessment area portion of the MSA has a population of approximately 591 thousand with 80 percent or 469 thousand in Onondaga County. Onondaga County contains the city of Syracuse, which according to the 2000 Census, posted a population decline of 10 percent since 1990.

Income Characteristics

The HUD adjusted median family income for MSA 8160 (Syracuse, NY) was \$45,400 in 1999 and \$47,000 in 2000. Thirty-seven of the LMI tracts, or 82 percent, are located in Syracuse.

Housing Characteristics

Of the 237,313 housing units in the assessment area portion of MSA 8160 (Syracuse, NY), 143,489 or 61 percent are owner-occupied and 77,620 or 33 percent are rental units. In LMI tracts, however, the level of owner-occupancy is only 28 percent while rental units account for 61 percent of all housing units. In the city of Syracuse, the level of owner-occupancy in LMI tracts is only 23 percent while rental occupancy is 65 percent. The median housing age pre-dates 1940, and only 36 percent of housing units in Syracuse are single-family units.

The city's population decline has contributed to a substantial rise in abandoned housing. Syracuse has an estimated 1,000 to 2,200 units of vacant housing.

Based on the 1990 Census, the median housing value in the assessment area is \$78 thousand. By the third quarter of 2000, the median sales price had risen to \$81.3 thousand, still considerably less than the 1990 state median value of \$130 thousand. For 2000, the New York State Association of Realtors has reported that the average housing price in the Syracuse/Onondaga County area was only slightly higher at \$101,298.

According to community contacts, rental housing is in demand and LMI residents have difficulty finding decent affordable rentals in Syracuse. Weak sales, high vacancy rates and poor management characterize the housing market. More than half of the housing on Syracuse's west side, for example, is rental and owned by absentee landlords. Despite flexible underwriting by many banks and lower purchase prices, the lack of jobs and adequate income prevent many residents from buying a home.

Labor, Employment and Economic Characteristics

Between 1997 and 2000, employment improved substantially in the MSA, mostly in financial, insurance and computer software services, as well as real estate and construction. Through 1999 and the first quarter of 2000, Syracuse's manufacturing sector also added jobs in the region. Also contributing to the area's growth in the first quarter of 2000 were strong employment gains in wholesale trade, services, transportation and public utilities.

The unemployment rate in MSA 8160 (Syracuse, NY) was 4.3 percent in 1999, down to 4.1 percent the following year.

EXHIBIT 5
Assessment Area Demographics
MSA 8160 (Syracuse, NY)

INCOME CATEGORIES	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
2000 HUD Median Family Income (MSA): \$47,000								
Low-income	18	10.5	7,054	4.7	2,880	26.6	26,658	17.8
Moderate-income	28	16.4	19,677	13.1	3,064	28.3	26,731	17.8
Middle-income	85	49.7	81,220	54.1	4,007	37.0	36,348	24.2
Upper-income	40	23.4	42,113	28.1	872	8.1	60,327	40.2
Total Assessment Area	171	100.0	150,064	100.0	10,823	100.0	150,064	100.0
Housing Units by Tract	Housing Types by Tract							
	Owner-Occupied		Rental		Vacancy			
	#	%	#	%	#	%	#	%
Low-income	2,251	1.6	12,515	16.1	2,455	15.2		
Moderate-income	13,701	9.5	22,219	28.6	3,485	21.4		
Middle-income	83,361	58.1	31,740	40.9	7,177	44.3		
Upper-income	44,176	30.8	11,146	14.4	3,087	19.1		
Total Assessment Area	143,489	100.0	77,620	100.0	16,204	100.0		
	Businesses by Tract and Revenue Size							
	Total Businesses by Tract		Under \$1 Million		Over \$1 Million			
	#	%	#	%	#	%		
Low-income	1,989	8.56	1,667	8.25	258	11.89		
Moderate-income	3,220	13.85	2,754	13.61	351	16.18		
Middle-income	11,992	51.59	10,418	51.53	1,117	51.50		
Upper-income	6,026	25.92	5,361	26.52	442	20.38		
Tract not reported	19	.08	18	.09	1	.05		
Total Assessment Area	23,246	100.0	20,218	100.0	2,169	100.0		

Note: The sum of businesses under \$1 million and businesses over \$1 million does not equal the assessment area's total number of businesses because 859 businesses did not report revenues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 8160 (SYRACUSE, NY)

LENDING TEST

Chase's performance with respect to the lending test in MSA 8160 (Syracuse, NY) was good. The geographic distribution of loans was excellent while lending activity, borrower distribution and community development lending were good.

The facts and data used to evaluate the bank's performance are shown in Appendix D. Lending activity is depicted in New York State Table 1, geographic distribution is depicted in New York Tables 2-6, and borrower characteristics are depicted in New York Tables 8-11.

Lending Activity: Chase's responsiveness to retail credit needs in the assessment area portion of MSA 8160 (Syracuse, NY) was good. Home purchase, refinance and small business lending increased from the previous examination. Small business lending represented 64 percent of all lending activity, which helps meet a critical need in the MSA.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected excellent loan penetration, although performance varied among home purchase loans, refinancings and small loans to businesses.

Home Purchase Loans

When compared with the level of owner-occupied housing units, the geographic distribution of home purchase loans across census tracts of different income levels reflected excellent penetration in both low- and moderate-income geographies. In addition, Chase's level of lending in LMI geographies for home purchase loans exceeded the aggregate for home purchase loans particularly in moderate-income geographies, as shown in New York State Table 2.

Refinancings

When compared with the level of owner-occupied housing units and the aggregate, the overall geographic distribution of refinancings in LMI geographies reflected good penetration. Chase's level of refinancings in LMI geographies trailed the aggregate, as shown in New York Table 4.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected excellent penetration throughout the MSA when compared with the level of small business locations. In addition, Chase's level of lending in LMI census tracts for small loans to businesses exceeded the aggregate, as shown in New York Table 6.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance, although performance varied between home purchase loans, refinancings and small loans to businesses.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was good. Chase's home purchase lending to moderate-income borrowers was excellent, with such performance exceeding that of the aggregate. The bank's home purchase lending to low-income borrowers was adequate, which also exceeded the aggregate's performance. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, indicating limited lending opportunities. Such a situation is consistent with economic conditions in the area.

Refinancings

The distribution of refinancings across borrower income levels reflected good distribution. The bank's level of refinancings to moderate-income borrowers was excellent, and this performance exceeded the aggregate's. Refinance lending to low-income borrowers, however, was poor, though such performance was slightly better than the aggregate's. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities and the area's economic conditions.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was excellent. Of all small business loans in MSA 8160 (Syracuse, NY), 91 percent were for amounts of \$100 thousand or less. The average size of such loans was \$29 thousand, an amount that would meet the needs of smaller businesses. A review of the aggregate net of large volume credit card lenders reveals that only 80 percent of the aggregate's small business loans were for \$100 thousand or less.

Community Development Lending: Chase's community development lending activity in MSA 8160 (Syracuse, NY) was adequate and totaled \$844 thousand, a decline since the previous examination. Lending for community service initiatives totaled \$644 thousand or 76 percent of all MSA community development lending activity, while affordable housing lending totaled \$200 thousand or 24 percent of such lending. Examples of community development lending in MSA 8160 (Syracuse, NY) include:

- A \$100 thousand line of credit to a nonprofit builder of affordable housing. The line of credit enables the builder to purchase and renovate homes in the process of foreclosure in LMI areas of Syracuse and resell the renovated properties to LMI individuals.
- A \$100 thousand line of credit to a nonprofit organization that provides housing and other services to developmentally disabled individuals.

INVESTMENT TEST

Overall, the level of investments in the MSA assessment area was good. Qualified investments in the Syracuse MSA totaled \$238 thousand. The MSA also benefited from a \$7 million investment for affordable housing that assists the entire New York assessment area. For details, see New York State Table 14.

SERVICE TEST

Performance under the service test was excellent in MSA 8160 (Syracuse, NY), based on Chase's excellent delivery of retail services and high level of community development services.

Retail Services

The bank's delivery systems were readily accessible to geographies and individuals of different income levels in this MSA. For details, see New York Table 15. Of the 14 branches in MSA 8160 (Syracuse, NY), 3 or 21 percent are located in LMI geographies. In addition, five branches in non-LMI geographies serve adjacent LMI geographies. No branches were opened or closed during the examination period.

Chase provided a good level of alternative delivery systems. The bank increased the number of ATMs since the previous examination to a total of 30 in the MSA, with 23 percent in LMI tracts. Every branch in the MSA had at least one ATM on site. Also, the bank's mortgage affiliate maintains an office in Syracuse. Other alternative delivery systems are discussed in the Institution portion of this report.

Products and services did not vary in a way that inconveniences certain portions of the assessment areas, particularly LMI geographies and LMI individuals. All but one of the branches provided extended weekday and/or Saturday hours, two in LMI geographies.

Community Development Services

Chase provided a high level of community development services in this MSA. The bank participated in or sponsored 41 seminars and workshops, mostly on affordable housing. Two bank officers provide technical assistance by serving on three boards of nonprofit organizations serving the needs of LMI individuals and geographies. The groups include the Southeast Asian Center, the Community Lending Corporation, and the Dunbar Association, an agency that provides services to disadvantaged youth and senior citizens. Other community development services are discussed in the Institution section.

METROPOLITAN AREAS

(FORMER RETAIL ASSESSMENT AREAS)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 1280 (BUFFALO-NIAGARA FALLS, NY) AND MSA 0960 (BINGHAMTON, NY)

Altering its business strategy in the MSA 1280 and MSA 0960 assessment areas during the examination period, Chase sold its retail branch network as of September 30, 1999, and opened a middle market office in both MSAs. Middle market offices are not open to the general public, instead focusing on government entities and businesses with GAR (gross annual revenues) of \$3 million or more.

Chase's mortgage affiliate continued to provide home mortgage loans in both markets. For the examination period, 19 percent of HMDA-related loans evaluated in the New York State assessment area were in the MSA 1280 (Buffalo-Niagara Falls, NY) assessment area while 6 percent were in MSA 0960 (Binghamton, NY). Small business loans were originated through middle market relationships and Chase Auto Finance, which has relationships with dealers throughout various upstate markets. During the examination period, small business loans in the Buffalo-Niagara Falls MSA represent 8 percent of such loans evaluated in the overall New York State assessment area, while 3 percent were in the Binghamton MSA.

Based on information reported to the FDIC as of June 30, 2000, the Buffalo office has deposits of approximately \$188 million or 6 percent of total New York State assessment area deposits while the Binghamton office has \$194 million in deposits, also about 6 percent of the bank's total deposits in the statewide assessment area.

Both MSA areas are competitive with many institutions providing financial services. In the Buffalo assessment area, which alone consists of Erie County, 13 institutions operated 221 banking offices as of June 30, 2000. The primary competitor is M&T with a market share in terms of deposits of 37 percent (\$5 billion). In the Binghamton assessment area, which consists primarily of Broome County, six institutions operated 54 banking offices. This market is dominated by Binghamton Savings Bank, which had a 54 percent market share in terms of deposits (\$1.5 billion) as of June 30, 2000.

Regarding 1999 HMDA-related lending in MSA 1280 (Buffalo-Niagara Falls, NY), HSBC and M&T are the primary lenders with market shares of 16 percent and 12 percent, respectively. In MSA 0960 (Binghamton, NY), market leaders for HMDA-related lending include Wells Fargo (13 percent market share) and HSBC (8 percent). In the Buffalo assessment area's small business loan market, the dominant lenders are HSBC with a 24 percent market share and M&T with 17 percent. Binghamton Savings with 18 percent and M&T with 17 percent are the leading small business lenders in the Binghamton area.

In addition to the competitive environment, demographic and economic factors impact the bank's performance. Certain key demographics are shown in the core tables of this document while

other relevant information is discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), the U.S. Department of Labor, and the New York State Association of Realtors.

PERFORMANCE CONTEXT

MSA 1280 (Buffalo-Niagara Falls, NY): This MSA includes Erie and Niagara Counties in western New York State, but only Erie County, which contains Buffalo (the state's second largest city), is included in Chase's assessment area. According to the 1990 Census, the total population of Erie County is 968,532, but the 2000 Census figure of 950,265 indicates a 2 percent decline. The median family income level increased since the 1990 Census to \$35,061, but is still lower than that of the state. The HUD adjusted median family income in 1999 for the MSA was \$45,800, climbing to \$46,900 in 2000. Based on the 1990 Census, about 30 percent of the census tracts in the assessment area are considered LMI tracts, and most are located in Buffalo.

Overall, the upstate New York economy has been in decline as a result of lost manufacturing jobs. The Buffalo area has been the hardest hit as the shrinking automobile and steel industries caused significant economic decline in the city and surrounding areas. Throughout the examination period, job losses in manufacturing were insufficiently offset by gains in other sectors. Unemployment rates of 5.4 percent in 1999 and 5 percent in 2000 were only slightly higher than the state or national rates, although these rates apparently stem more from population declines than increased job opportunities.

Housing values are more affordable in MSA 1280 (Buffalo-Niagara Falls, NY) than in other parts of the state. In 1999 the median housing value was \$81,300. Construction, particularly in Buffalo, generally pre-dates 1940, and many neighborhoods in the city show signs of disinvestment.

The main credit needs include lending to businesses in order to expand and support the local economy and lending to rehabilitate affordable housing.

MSA 0960 (Binghamton, NY): This assessment area includes Broome County and two townships in Tioga County. According to the 1990 Census, the assessment area portion of the MSA has a population of approximately 240 thousand with 84 percent or 202 thousand in Broome County. The 2000 Census reports a population of 200 thousand in Broome County, a decline of about 1 percent since the last census. Income levels are somewhat lower than those in the Buffalo area. In 1999 and 2000, the HUD adjusted median family income for MSA 0960 was \$42,900 and \$44,000, respectively. Based on the 1990 Census, 16 of the 60 census tracts considered for analysis, or 27 percent, are LMI tracts. All the LMI tracts are in Broome County.

Compared with other parts of New York State, housing prices are affordable. Median housing prices are in the low range of \$70 thousand, which is lower than the 1990 Census median value of \$79,453. Little new construction is taking place in the assessment area. According to the 2000 Census, building permits in 1999 authorized only 252 housing units.

The economic decline in western New York impacted the Binghamton MSA less severely than other communities as the Binghamton area economy relied more on technological enterprises than manufacturing. Signs of recovery are evident in the Binghamton area's new job opportunities in the retail and service sectors and, to a lesser extent, the manufacturing sector as well. The unemployment rate as of December 2000 is 3.3 percent.

Like the Buffalo MSA, credit needs in the Binghamton assessment area include lending to businesses in order to expand and support the local economy and lending to rehabilitate affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 1280 (BUFFALO-NIAGARA FALLS, NY) AND MSA 0960 (BINGHAMTON, NY)

LENDING TEST

Chase's performance with respect to the lending test in these MSAs was good based on the bank's business strategy and performance under each element of the test.

The facts and data used to evaluate the bank's performance in all its assessment areas are shown in the New York State tables in Appendix D. Lending activity is depicted in Table 1, geographic distribution is depicted in Tables 2-6, and borrower characteristics are depicted in Tables 8-11

Lending Activity: Chase's responsiveness to retail credit needs was good in the assessment area portion of MSA 1280 (Buffalo-Niagara Falls, NY) and adequate in MSA 0960 (Binghamton, NY). In both MSAs, home purchase and refinance lending increased from the previous examination but decreased from 1999 to 2000. In addition, small business lending decreased in both MSAs from levels at the previous examination, and declined further from 1999 to 2000.

The decline in these two markets between examinations resulted from the sale of 18 branches in the assessment areas in the fourth quarter of 1999, and the bank's new upstate New York business strategy. However, the Binghamton MSA was the only upstate New York assessment area to show a decline between examinations in combined HMDA-related and small business loan volume.

Geographic Distribution of Lending: In MSA 1280 (Buffalo-Niagara Falls, NY), the overall geographic distribution of loans was good. The geographic distribution of small business loans was excellent during the review period and HMDA-related lending in the MSA was good. Small business LMI lending exceeded aggregate LMI lending in 1999. Refinance LMI lending exceeded aggregate refinance lending, and home purchase LMI lending equaled aggregate home purchase lending.

In MSA 0960 (Binghamton, NY), the overall geographic distribution of small business and HMDA-related lending was good during the period of this evaluation. The geographic distribution of small business lending was excellent, and HMDA-related lending in the MSA was

good. Small business LMI lending exceeded such lending by the aggregate. Refinance LMI lending exceeded aggregate refinance lending, and home purchase LMI lending trailed aggregate home purchase lending.

Distribution by Borrower Income and Revenue Size of the Business: In MSA 1280 (Buffalo-Niagara Falls, NY), the overall distribution of loans reflected adequate lending performance. The distribution of HMDA-related lending to LMI borrowers was good. The distribution of small business loans to businesses of different sizes was poor, but such performance was consistent with the bank's shift in 1999 to middle market business lending.

Home purchase lending to moderate-income borrowers was on a par with the aggregate's performance while refinance lending to moderate-income borrowers trailed the aggregate. Home purchase and refinance lending to low-income borrowers exceeded the aggregate's performance in both categories.

Small business lending to businesses with GAR of \$1 million or less trailed the aggregate's performance. Such performance is consistent with the bank's sale of seven retail branches in MSA 1280 (Buffalo-Niagara Falls, NY) during the fourth quarter of 1999. This branch network was crucial to supporting a small business lending operation.

In MSA 0960 (Binghamton, NY), the overall distribution of loans reflected adequate performance. The distribution of HMDA-related lending to LMI borrowers was good. The distribution of small business loans to businesses of different sizes was adequate. Such performance was consistent with the bank's revised business strategy stressing lending to middle market businesses.

Both home purchase lending and refinance lending to moderate-income borrowers trailed the aggregate's performance. Home purchase lending to low-income borrowers exceeded the aggregate's performance while refinance lending to low-income borrowers trailed the aggregate.

Small business lending to businesses with GAR of \$1 million or less trailed the aggregate's performance. Such performance is consistent with the bank's sale of its retail branches in MSA 0960 (Binghamton, NY) during the fourth quarter of 1999. This branch network was crucial to supporting a small business lending operation.

Community Development Lending in MSA 1280 (Buffalo-Niagara Falls, NY): Chase's community development lending was excellent, totaling \$892 thousand and targeting affordable housing as well as revitalization and stabilization activities. In addition, a letter of credit for \$2.8 million was directed to affordable housing. Performance was stronger than in the previous examination when community development lending totaled \$2.4 million, including the letter of credit.

Community Development Lending in MSA 0960 (Binghamton, NY): Community development lending was poor. No community development lending was reported during this examination period or at the previous examination.

INVESTMENT TEST

MSA 1280 (Buffalo-Niagara Falls, NY): The level of qualified investments was excellent, totaling \$1.7 million. Investments include a new \$1.5 million investment in an SBIC (small business investment company), which promotes economic development in upstate New York. In addition, \$200 thousand in charitable grants and donations were made to organizations that promote community service and affordable housing.

MSA 0960 (Binghamton, NY): The qualified investments level in this MSA was good. Direct investments totaled \$291 thousand. This included \$100 thousand in deposits in community development credit unions and a \$100 thousand equity investment in a fund that promotes economic development throughout the state's Southern Tier. In addition, \$91 thousand in charitable grants and donations were made to organizations promoting community service, economic development and affordable housing.

Both assessment areas benefited from a \$7 million investment that assisted the entire New York assessment area.

SERVICE TEST

Chase's performance with respect to the service test in MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 0960 (Binghamton, NY) was poor. This conclusion is based primarily on the bank's sale of its retail branches in the Buffalo and Binghamton MSAs, causing the bank's retail delivery system to become unreasonably inaccessible to LMI geographies. The sale was part of the bank's strategic shift to middle market lending in these MSAs.

For facts and data used to evaluate the bank's service test performance in MSA 1280 and MSA 0960, see New York State Table 15.

Retail Services

Chase's service delivery systems were accessible to limited portions of the bank's assessment area in MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 0960 (Binghamton, NY), particularly in LMI geographies following the bank's September 1999 sale of its retail branches in these MSAs. Two middle market offices, one each in Buffalo and Binghamton, are Chase's only open locations. The Binghamton middle market office is located in an LMI tract.

As part of the branch sale to M&T, Chase sold three off-site ATMs as part of its exit from the Buffalo and Binghamton market. The bank's mortgage affiliate still has a loan origination office serving these MSAs.

To the extent that changes were made, Chase's record of opening and closing branches has adversely affected the accessibility of its retail delivery systems in MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 0960 (Binghamton, NY), particularly to LMI geographies. Nine of the

19 branches included in the sale are located in LMI areas in the Buffalo and Binghamton MSAs. This sale was consistent with Chase's strategic shift in these markets to middle market lending and services. Chase retail banking services are no longer offered in these communities.

Community Development Services

The bank provided a limited level of community development services. Community development services included 15 workshops on topics such as buying a home, keeping financial records and budgeting for small businesses. Also, two officers served on the boards of nonprofit organizations.

METROPOLITAN AREAS

(MIDDLE MARKET ASSESSMENT AREAS)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 2335 (ELMIRA, NY), MSA 8680 (UTICA-ROME, NY), AND MSA 0160 (ALBANY-SCHENECTADY-TROY, NY)

Historically, Chase's business focus in these assessment areas has been on the middle market. The bank does not operate retail branches but maintains one middle market office each in the Elmira, Utica-Rome and Albany-Schenectady-Troy MSAs. These offices provide services to government entities and businesses with GAR of \$3 million or more. Chase's mortgage affiliate markets HMDA-related loans in the assessment areas. Small business loans are originated through middle market relationships and by Chase Auto Finance, which has relationships with dealers throughout New York State.

The entire MSA 2335 (Elmira, NY), including Chemung County, is part of Chase's assessment area. Based on FDIC reports as of June 30, 2000, the Elmira office had total deposits of \$139 million. Eight financial institutions operate 23 banking offices in the MSA. Chemung Canal Trust Company has the largest deposit market share (33 percent) with total deposits of \$348 million. The Elmira MSA represents about 1 percent of HMDA-related activity and less than 1 percent of small business loan activity at this examination.

Chase's assessment area in MSA 8680 (Utica-Rome, NY), includes Oneida County where the bank reported total deposits of \$96 million. As of June 30, 2000, Oneida County is served by 17 institutions operating 75 banking offices. Based on deposits, the Savings Bank of Utica is the largest, with a deposit market share of 22 percent (\$587 million). During the examination period approximately 3 percent of HMDA-related and small business loan activity was in the assessment area portion of the MSA.

The assessment area portion of MSA 0160 (Albany-Schenectady-Troy, NY) includes portions of Albany, Rensselaer, Schenectady and Saratoga Counties. As of June 30, 2000, the middle market office in Albany reported total deposits of \$268 million. Numerous financial institutions operate in the assessment area. Albany County alone has 324 banking offices. Primary banks include Fleet, Trustco Bank, N.A., and Keybank, N.A. Approximately 8 percent of HMDA-related and of small business loans evaluated at this examination were in the MSA 0160 (Albany-Schenectady-Troy, NY) assessment area.

In addition to the competitive environment, demographic and economic factors impact the bank's performance. Certain key demographics are shown in the core tables of this document, and other information is briefly discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), the U.S. Department of Labor, and the New York State Association of Realtors.

PERFORMANCE CONTEXT

MSA 2335 (Elmira, NY): According to the 1990 Census, the total population of the MSA, which consists of Chemung County only, was 95,195, about 3 percent of the total population in the bank's New York State assessment area. The 2000 Census indicates a decline of about 4 percent over the decade. The HUD adjusted median family income for the MSA was \$41,400 in 1999 and \$42,300 in 2000. LMI census tracts, which represent about 27 percent of the census tracts used in the analysis, are all located in the city of Elmira. In 1999, median housing values were approximately \$70 thousand, making housing affordable for many LMI families.

As with most of western New York State, the area has experienced economic decline. In the late 1980s the state established an Economic Development Zone ("EDZ") in response to the county's designation as a distressed area. The declining population and the county's ability to help create manufacturing jobs as well as service jobs has helped to reduce employment pressures. As of December 2000, the unemployment rate was 4.1 percent, almost equal to the statewide rate of 4.2 percent.

MSA 8680 (Utica-Rome, NY): Based on the 1990 Census, the total population of Oneida County, the assessment area portion of the MSA, was about 250 thousand; however, over the decade the population declined 6 percent to 235 thousand, according to the 2000 Census. The HUD adjusted median family income for the overall MSA was \$38,600 in 1999 and \$40,100 in 2000. According to the New York State Association of Realtors, the average selling price of a home at the end of 2000 was approximately \$76 thousand.

As with many parts of upstate New York, this area also suffered from economic decline particularly as a result of the closing of government installations. However, the area is rebounding with new service and retail sector jobs, many related to the opening of a casino complex in the area. Unemployment fell to 3.9 percent in December 2000, which is lower than the state rate of 4.2 percent.

MSA 0160 (Albany-Schenectady-Troy, NY): According to the 1990 Census, the total population in the assessment area portion of the MSA is 651,443, or about 18 percent of the total population in the bank's New York State assessment area. Of the census tracts used for analysis, 38 or 25 percent are LMI and are located primarily in the center cities. The HUD adjusted median family income for the MSA was \$49,700 in 1999 and \$51,300 in 2000. Housing is more expensive in this area than in the western part of the state. According to the New York State Association of Realtors, the average selling price for a home in the greater Albany area was approximately \$130 thousand at the end of 2000.

Unemployment rates in MSA 0160 were the lowest in the bank's New York State assessment area; 2.4 percent as of December 2000 while the state jobless rate was 4.2 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 2335 (ELMIRA, NY), MSA 8680 (UTICA-ROME, NY), AND MSA 0160 (ALBANY-SCHENECTADY-TROY, NY)

LENDING TEST

Chase's performance with respect to the lending test in MSA 0160 was good, and adequate in both MSA 8680 and MSA 2335 in light of the bank's business strategy.

The facts and data used to evaluate the bank's performance in all its assessment areas are shown in Appendix D's New York State set of core tables. Lending activity is depicted in Table 1, geographic distribution in Tables 2-6, and borrower characteristics are depicted in Tables 8-11.

Lending Activity: Chase's responsiveness to retail credit needs in the assessment area portions of MSA 0160, MSA 8680 and MSA 2335 was good based on the bank's business focus. In all three MSAs, home purchase and refinance lending increased from the previous examination. Small business lending decreased in all three MSAs from levels at the previous examination. The bank, which did not have retail branch offices in these areas at the previous examination, continued to have a middle market presence consistent with the bank's upstate New York business strategy.

Geographic Distribution of Lending: In MSA 0160 (Albany-Schenectady-Troy, NY), the overall geographic distribution of small business and HMDA-related lending in the MSA was good compared with the level of owner-occupied housing units and aggregate performance. The geographic distribution of home purchase and refinance lending was excellent during the review period, and small business lending was good. Home purchase, refinance and small business lending performance exceeded the performance of the aggregate.

In MSA 8680 (Utica-Rome, NY), the overall geographic distribution of retail loans was adequate when compared with the level of owner-occupied housing units and aggregate performance. The geographic distribution of home purchase lending was poor, refinance lending was excellent, and small business lending was adequate. The aggregate exceeded Chase in home purchase and small business lending in LMI geographies. The bank exceeded the aggregate in refinance lending.

In MSA 2335 (Elmira, NY), the overall geographic distribution of small business and HMDA-related lending was poor compared with the level of owner-occupied housing units and aggregate performance. The geographic distribution of home purchase lending was very poor during the review period, and small business lending was poor. However, refinance lending performance was excellent. The aggregate exceeded the bank in home purchase, refinance and small business lending.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans reflected adequate loan performance in MSA 0160 (Albany-Schenectady-Troy, NY). The distribution of HMDA-related lending to LMI borrowers was good. The distribution of small business loans to businesses of different sizes was very poor, but such performance is consistent with the bank's middle market business focus in the MSA.

Small business lending to businesses with GAR of \$1 million or less trailed the aggregate's performance. Chase has no retail branches in the MSA but instead operates a middle market office oriented to government entities and businesses with GAR of \$3 million or more.

The bank's home purchase lending to moderate-income borrowers was on a par with the aggregate's performance. Refinance lending to moderate-income borrowers exceeded the aggregate. Both home purchase and refinance lending to low-income borrowers exceeded the aggregate.

In **MSA 8680 (Utica-Rome, NY)**, the overall distribution of loans reflected adequate loan performance. The distribution of HMDA-related lending to LMI borrowers was adequate. The distribution of small business loans to businesses of different sizes was poor but consistent with its middle market lending focus in this MSA.

Small business lending to businesses with GAR of \$1 million or less trailed the aggregate's performance. As in MSA 0160, Chase maintains a middle market office in MSA 8680 to provide services to government entities and businesses with GAR of \$3 million or more.

Both home purchase and refinance lending to moderate-income borrowers exceeded the aggregate's performance. For home purchase and refinance lending to low-income borrowers, Chase's performance trailed the aggregate's.

In **MSA 2335 (Elmira, NY)**, the overall distribution of loans reflected adequate loan performance. The distribution of HMDA-related lending to LMI borrowers was adequate. The distribution of small business loans to business of different sizes was poor but consistent with the bank's middle market lending focus in this MSA.

Small business lending to businesses with GAR of \$1 million or less trailed the aggregate's performance. As in MSA 0160 and MSA 8680, Chase maintains a middle market office in MSA 2335 in support of lending to businesses with GAR of \$3 million or more as well as government entities.

Both home purchase and refinance lending to moderate-income borrowers trailed the performance of the aggregate. In lending to low-income borrowers, home purchase and refinance lending exceeded the aggregate's performance.

Community Development Lending: In the three assessment areas, community development lending was poor in light of the bank's business strategy.

MSA 2335 (Elmira, NY): Chase's community development lending totaled \$925 thousand and targeted affordable housing. Performance is comparable with the previous examination when community development lending also totaled \$925 thousand.

MSA 8680 (Utica-Rome, NY): No community development lending was reported during this examination period or at the previous examination.

MSA 0160 (Albany-Schenectady-Troy, NY): No community development lending was reported during the examination period; however, a letter of credit for \$15.4 million was originated and targeted to affordable housing. Performance was stronger than in the previous examination when community development lending totaled \$2.9 million when the letter of credit is considered.

INVESTMENT TEST

In all assessment areas, investment performance was adequate based on the benefits each MSA receives from a \$7 million investment that assists the entire New York assessment area.

MSA 2335 (Elmira, NY): Direct qualified investments totaled \$10 thousand and included grants supporting community services for LMI individuals. At the previous examination, qualified investments totaled \$24 thousand.

MSA 8680 (Utica-Rome, NY): No direct qualified investments were made during this examination period. At the previous examination, qualified investments totaled \$24 thousand.

MSA 0160 (Albany-Schenectady-Troy, NY): Direct qualified investments totaled \$732 thousand. Investments include \$520 thousand in equity investments in organizations that promote economic development in the region and throughout New York State. In addition, \$212 thousand in charitable grants and donations were made primarily to organizations that promote community service and affordable housing.

SERVICE TEST

Chase's performance with respect to the service test in MSA 0160 (Albany-Schenectady-Troy, NY), MSA 8680 (Utica-Rome, NY), and MSA 2335 (Elmira, NY) was adequate based on the bank's focus on middle market lending and services in this portion of the New York assessment area. The facts and data used to evaluate the bank's performance in these MSAs are shown in New York State Table 15 in Appendix D.

Retail Services

Chase's service delivery systems were reasonably accessible based on the bank's business strategy. Of the three middle market offices serving these MSAs, the middle market offices serving MSA 0160 (Albany-Schenectady-Troy, NY) and MSA 8680 (Utica-Rome, NY) are located in LMI tracts. The bank's mortgage affiliate operates two offices serving the Albany MSAs. Neither is in an LMI tract.

As part of the September 1999 branch sale to M&T, Chase sold a middle market branch in an upper-income tract in the Albany MSA.

Community Development Services

The bank provided a limited level of community development services. The services included workshops on integrating technology into the operations of nonprofit organizations and technical assistance for small business loan funds. The bank made 22 donations of furniture and computers.

STATE

CRA RATING FOR THE STATE OF TEXAS: Satisfactory.

The lending test is rated: High satisfactory.

The investment test is rated: High satisfactory.

The service test is rated: High satisfactory.

Major factors supporting the rating follow:

- The volume of the bank's HMDA-related and small business loans originated or purchased represented good responsiveness to credit needs in Texas.
- The distribution of loans among borrowers of different income levels and businesses of different sizes in Texas was good.
- The bank had an excellent level of community development loans and a significant level of qualified investments in Texas.
- The overall geographic distribution of HMDA-related and small business loans reflected adequate penetration.
- Delivery systems were accessible to essentially all portions of the bank's Texas assessment area.

SCOPE OF EXAMINATION

For the Texas state rating, a full review was conducted for the CMSA 3362 (Houston-Galveston-Brazoria, TX) and CMSA 1922 (Dallas-Fort Worth, TX) assessment areas. A limited review of the bank's performance in the other Texas assessment areas not specifically noted are also included in this evaluation. Significant weight was placed on performance in the CMSAs as they contain 75 percent of the bank's branches and 79 percent of deposits in the combined Texas assessment areas. CMSA 3362 and CMSA 1922 also contain 69 percent of home purchase loans, 74 percent of refinancings, 77 percent of home improvement loans, and 75 percent of small business loans. These two CMSAs combined contain 70 percent of the population and 70 percent of LMI families in the Texas assessment areas. Performance in the limited review assessment areas did not impact the state rating.

CMSA 3362 and CMSA 1922 in Texas also had a substantial concentration of deposits, lending and population, but at much smaller levels compared with CMSA 5602. The fully explained Scope of Examination begins on page BB4. For details, see Appendix A.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXAS

Chase operates in the following seven assessment areas in the state:

- Part of CMSA 1922 (Dallas-Fort Worth, TX), consisting of part of PMSA 1920 (Dallas, TX), including Collin, Dallas and Denton Counties, and part of PMSA 2800 (Fort Worth-Arlington, TX), including Tarrant County.
- Part of CMSA 3362 (Houston-Galveston-Brazoria, TX), including part of PMSA 3360 (Houston, TX) consisting of Fort Bend, Harris and Montgomery Counties, and part of PMSA 2920 (Galveston-Texas City, TX), consisting of a portion of Galveston County.
- Part of MSA 0640 (Austin-San Marcos, TX), consisting of Travis and Williamson Counties.
- Part of MSA 1240 (Brownsville-Harlingen-San Benito, TX), consisting of a portion of Cameron County.
- MSA 2320 (El Paso, TX), consisting of El Paso County.
- Part of MSA 4880 (McAllen-Edinburg-Mission, TX), consisting of a portion of Hidalgo County.
- Part of MSA 7240 (San Antonio, TX), consisting of Bexar and Comal Counties.

As of December 31, 2000, the bank operated 119 retail branches in Texas, primarily in the Houston and Dallas assessment areas. This total represents 22 percent of Chase branches and 15 percent of the deposits evaluated at this examination. During the examination period, 35 percent of HMDA-related and 19 percent of small business loans evaluated at this examination were in the combined Texas assessment areas.

Based on deposit data reported to the FDIC as of June 30, 2000, Chase is the third largest bank in Texas, with 8.4 percent of all deposits. Bank of America, N.A., is the largest with approximately 12.6 percent of all deposits, followed by Bank One, Texas, N.A., with 8.8 percent of deposits. In HMDA-related home purchase and refinance lending in 2000, Chase and its affiliates rank fourth in its Texas assessment area with 4.2 percent of all such loan originations and purchases. The market leader is Wells Fargo and affiliates with 7.4 percent of all such transactions.

Regarding small business lenders, Chase and its affiliates rank first among bank lenders operating in the assessment area. However, the market is dominated by credit card lenders such as GE Capital Financial Inc., American Express Centurion Bank, Capital One, F.S.B., and Advanta Bank Corporation. Combined, these four lenders reported 60 percent of all small business loans in Chase's Texas assessment area. Chase and its affiliates reported 4.3 percent.

Prior to July 31, 2000, Chase's operations in Texas were affiliated with the Chase Manhattan Bank through the bank's holding company, the Chase Manhattan Corporation, and operated as Chase Bank of Texas, N.A. On July 31, 2000, the national bank was merged into Chase.

Chase's Texas operation was previously known as Texas Commerce Bank, which focused on commercial lending to large and middle market businesses. As of June 30, 2000, the bank had total deposits of \$18 billion. As of the same date, Chase Texas had total assets of \$24.5 billion and total net loans and leases of \$11.9 billion.

Generally, the national bank in Texas operated independently of the bank in New York, but with the merger, overall management of the CRA function in Texas was consolidated in New York. This is the first time the Federal Reserve has evaluated Chase's activity in Texas.

The Comptroller of the Currency conducted the last CRA examination of Chase's Texas Commerce Bank as of September 9, 1996, and gave it a CRA rating of "outstanding."

During the 1999-2000 examination period, the bank was immersed in the integration of Chase Texas into Chase Manhattan Bank which involved a fundamental move to implement Chase's small business relationship strategy in the Texas assessment areas. This strategy involves providing small business customers with a complete credit, deposit and business support relationship. Setting up the operations to support this strategy – featuring direct sales offices, new customer database, relationship managers, telemarketing group, underwriting centers, new credit and deposit products, in addition to evaluating the existing branch network – was at the center of the bank's focus in 1999 and early 2000.

Based on the 1990 Census, the total population of the combined Texas assessment areas was approximately 10.2 million. Over the past decade, however, the area grew rapidly primarily because of an influx of Hispanics and Asians. The 2000 Census indicates a 20 percent increase in population levels, particularly in the Houston and Dallas areas. Many of the new residents work in a cash economy, resulting in undocumented income and credit histories that present obstacles to obtaining credit from bank lenders.

The Texas population growth led to increased demand for housing. Affordable housing is in great demand but produced in limited quantities. Community development corporations ("CDCs") have expanded their capacity in recent years and are becoming active builders of affordable housing in LMI communities. Building efforts generally take place in the suburbs where land is less expensive and demand is high because of the proximity to expanding job opportunities.

Affordable housing programs offered through the Texas Department of Housing and Community Affairs allow a limited number of LMI families to purchase homes, even in the newer suburban growth areas. Examples of the program include the Texas First-Time Homebuyer Program, which offers mortgages with below-market interest rates, and the Down Payment Assistance Program. However, in LMI communities, particularly those near the Mexican border, this assistance falls short of enabling LMI families' homeownership because of high housing costs. As a result, many LMI families have resorted to acquiring a home through the private contract for deed process. Unlike buyers with a mortgage who gain equity with each payment, contract for deed provides buyers no equity in their homes until the last payment is made.

Contract for deed has been the most commonly used financing method in the unincorporated settlements in south Texas as many individuals have neither a credit history nor the resources to qualify for conventional financing. However, government sources confirmed during recent flood relief efforts that the practice is also common in the LMI areas of major cities. Community contacts conducted for this examination also confirmed the practice was prevalent in some LMI

areas of Houston, Dallas and Austin. Such transactions limit HMDA-related mortgage lending in LMI areas and lending to LMI borrowers and emphasizes the need for educational programs.

In 1997, the Texas State Legislature amended the state constitution to allow lenders to originate home equity loans. Because of the versatility of a home equity loan versus the sole purpose of a home improvement loan, Chase's home improvement lending declined since the amendment.

Texas' status as a homestead state also explains the low loan penetration in LMI areas throughout Chase's assessment areas. The state property tax laws contribute to a large amount of abandoned property in Houston and other major cities with a concentration of LMI tracts. As a homestead state, county governments in Texas do not usually pursue individuals who owe property taxes until after they die. The county government then repossesses the properties, but many times the back tax amount exceeds house value. Such houses end up abandoned but under county government ownership. County governments generally don't bother to sell these properties. Thus, in the North Ward section of Houston, for example, a community contact estimated that 26 percent of the 4,384 housing units were distressed or abandoned. Mortgage lenders are hard-pressed to originate mortgages in LMI areas at a level commensurate with the percentage of owner-occupied housing in LMI tracts because of the distressed housing stock.

During the examination period, the economy was strong, led by the business services and energy job sectors, as well as retail and construction. The state is home to major corporations and has become a center for telecommunications, transportation, electronics manufacturing and data processing. However, most businesses operating in the state employ fewer than 50 employees, allowing for many small business lending opportunities. Such opportunities are particularly important in urban LMI communities seeking revitalization programs.

As of December 2000 the statewide unemployment rate is 3.4 percent. Although the economic picture was good overall, some pockets of poverty and high unemployment exist, particularly near the border with Mexico.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

Chase's performance with respect to the lending test in Texas is rated "high satisfactory" based on similar performance in the CMSA 3362 (Houston-Galveston-Brazoria, TX) and CMSA 1922 (Dallas-Fort Worth, TX) assessment areas.

The facts and data used to evaluate the bank's performance in all its assessment areas are shown in the Texas set of core tables in Appendix D. Lending activity is depicted in Texas Table 1, geographic distribution is depicted in Texas Tables 2-6 and borrower characteristics are depicted in Texas Tables 8-11.

Lending Activity: Chase's responsiveness to retail credit needs in the Texas assessment area was good based on performance in both CMSA assessment areas.

Activity in CMSA 1922 (Dallas-Fort Worth, TX) and CMSA 3362 (Houston-Galveston-Brazoria, TX) represented 34 percent and 38 percent, respectively, of total lending activity analyzed in the Texas assessment area. Sixty-five percent of the 42,837 loans in the two assessment areas were HMDA-related loans, and therefore were most important in reaching overall conclusions.

Geographic and Borrower Distribution: Geographic and borrower distribution reflected good performance in the Texas assessment area. Each CMSA assessment area reflected a similar level of performance.

While the geographic distribution of small loans to businesses reflected excellent penetration in LMI geographies, particularly when compared with the aggregate, HMDA-related loan distribution was weaker. The distribution of HMDA-related loans was considered adequate based primarily on a comparison of the bank's performance with the aggregate. Performance context issues, as previously discussed, limit lending opportunities in LMI geographies.

The overall borrower distribution of HMDA-related loans was excellent based primarily on the level of lending to moderate-income borrowers. Home purchase and home improvement lending showed particularly strong performance. Performance context issues, particularly the gap between housing prices and income levels, make it difficult for low-income families and individuals to become homeowners, providing only limited lending opportunities.

The distribution of loans to businesses of different sizes reflected only adequate performance. This performance is more indicative of the bank's business strategy before its merger with the New York bank, as discussed in the performance context. The bank's business lending efforts are in transition, and the level of lending to businesses with GAR of \$1 million or more increased between 1999 and 2000 as management initiated its small business lending strategy.

Community Development Lending: Overall in Texas and in both CMSA assessment areas, Chase's community development lending performance was excellent. During the examination period, such loan commitments in the Texas assessment area totaled \$202 million or 21 percent of the bank's total activity. In addition, Chase issued \$13 million in letters of credit to support community service initiatives. Most community development lending was centered in CMSA 3362 (Houston-Galveston-Brazoria, TX) and CMSA 1922 (Dallas-Ft. Worth, TX) where respective commitments totaled \$92 million or 45 percent, and \$81 million or 40 percent of total Texas activity.

Community development lending efforts were targeted to affordable housing, a primary need in the assessment area, according to community contacts. Loans directed to affordable housing totaled \$149 million or 70 percent of total activity and supported the construction and rehabilitation of 11,603 units of affordable housing. Community development lending activity also included \$49 million in loans for revitalization and stabilization, and \$16 million in loans for community service activities.

Much of Chase's community development lending in the state of Texas was complex and innovative. The bank worked with faith-based institutions and nonprofit developers to provide technical assistance in areas including environmental assistance, appraisals, permit and credit applications, bookkeeping, and construction project management. Chase acted as a consultant in construction meetings, provided funding for land acquisition, and financed predevelopment costs including marketing studies and architectural plans. According to community contacts, not all lenders always provide these services in the assessment area. The bank also provided construction, bridge financing and equity investments to support the development of housing eligible for tax credits.

INVESTMENT TEST

Chase had a good level of qualified community development investments and grants based primarily on the level of statewide investments, which represent most of the total investments in Texas. Investments exhibited strong responsiveness to credit and community development credit needs. For details, see Texas Table 14 in Appendix D.

Qualified investments totaled \$73 million or 9 percent of the bank's total qualified investments. Investments consisted of \$70 million for various agencies engaged in community development activity and \$3 million in charitable grants and contributions to organizations supporting community development projects and programs. Sixty-nine percent of the qualified investments were made statewide, while 29 percent of qualified investments were made in CMSA 1922 (Dallas-Ft. Worth, TX) and 1 percent in CMSA 3362 (Houston-Galveston-Brazoria, TX).

Approximately \$49 million or 67 percent of qualified investments are LIHTCs, which are considered complex because of accounting and monitoring requirements. The statewide investment noted above was an LIHTC which will benefit the entire state, including the bank's assessment areas.

As discussed in the Institution section beginning on page BB2, Chase's investments showed an excellent response to the most pressing credit and community development needs in the bank's assessment areas. Approximately 85 percent of investments were directed to agencies that support development of affordable housing, a primary credit need in the bank's assessment areas. Eleven percent of activity was allocated to economic development activity including local CDFIs providing direct loans to very small businesses. This investing helps meet small business credit needs, which were identified as an important community need in the Texas assessment areas.

SERVICE TEST

Chase is rated "high satisfactory" on the service test in Texas. Performance was consistent in each CMSA assessment area. For details regarding Chase branches in the various assessment areas, see the core table for Texas in Appendix D.

Retail Services

The bank's delivery systems were accessible to essentially all geographies and individuals of different income levels in the assessment areas. As described in the Institution section, Chase's multiple alternative delivery systems enhanced distribution of banking services throughout the Texas assessment area, including an extensive ATM network. Products and services did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and LMI individuals. Extended hours are routine at most of the branch offices (88 percent). Since the 2000 merger, no branches have opened or closed in the Texas assessment area.

Community Development Services

Chase provided a high level of community development services statewide and in both CMSA assessment areas. The bank participated in or sponsored many seminars and workshops on affordable housing and economic development. Officers and employees provided technical assistance by serving on boards and committees of nonprofit organizations addressing the needs of LMI individuals and geographies. The bank also donated computer and office furniture to community organizations in the assessment area. Other community development services are discussed in the Institution section, including Chase's community development training offered in Dallas and Houston.

METROPOLITAN AREAS

(FULL-REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 3362 (HOUSTON-GALVESTON-BRAZORIA, TX)

The assessment area portion of the Houston CMSA is Chase's largest market in Texas, containing the largest amounts of population, branches and deposits. It consists of PMSA 1145 (Brazoria, TX) and PMSA 2920 (Galveston-Texas City, TX) and part of PMSA 3360 including Fort Bend, Harris and Montgomery Counties. During the examination period, 34 percent of HMDA-related and 45 percent of small business loans evaluated in Texas were in this assessment area.

As of December 31, 2000, Chase operated 50 retail branches in the assessment area portion of CMSA 3362, primarily in Harris County. The branches represent 43 percent of all Chase branches in Texas and contain approximately \$9.7 billion in deposits or 54 percent of total Chase deposits in Texas.

Chase's performance in the CMSA 3362 assessment area was evaluated in terms of the business and demographic context in which the bank operates. The CMSA is a highly competitive financial marketplace where many non-financial institution lenders compete with multinational, multistate and local banks. Chase's primary competitors are Bank of America, N.A., Bank United and Wells Fargo Bank Texas, N.A.

Based on deposits reported to the FDIC as of June 30, 2000, Chase has the largest deposit market share (18 percent) in its assessment area portion of the CMSA. Regarding HMDA-related home purchase loans and refinancings in 2000, Chase and its affiliates rank fourth in the Houston CMSA assessment area with 4.5 percent of all such loan originations and purchases. The market leader is Countrywide Mortgage with 7.9 percent of all such transactions, followed by Wells Fargo with 7.5 percent.

Regarding small business lenders, Chase and its affiliates rank first among bank lenders operating in the assessment area. This market is dominated by lenders such as GE Capital Financial, American Express Centurion, Capital One and Advanta, which combined reported 61 percent of all small business loans. Chase and its affiliates reported 6 percent.

Demographic and economic information impact the bank's performance. Detailed statistics about the CMSA area are presented in Exhibit 6 on page BB69, and information specific to Harris County is discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), the U.S. Department of Labor and the Houston Association of Realtors.

PERFORMANCE CONTEXT

The core of the Houston CMSA assessment area is Harris County, which contains approximately 78 percent of the population of the assessment area portion of the Houston CMSA. The county contains the city of Houston, the largest city in Texas and the fourth largest in the U.S. LMI lending opportunities are concentrated in Harris County, particularly in Houston.

Demographic Characteristics

According to the 1990 Census, the population of Harris County was 2.8 million, with Houston accounting for 1.6 million or 57 percent. The 2000 Census indicates that the county population increased 21 percent to 3.4 million.

Income Characteristics

The Houston CMSA has some of the highest income levels in the state. In PMSA 3360 (Houston, TX), which contains Harris County, the HUD adjusted median family income was \$54,100 in 1999 and \$56,700 in 2000. Most of the LMI census tracts in the CMSA assessment area are located in Harris County, particularly in the northeastern, eastern and southern parts of the city of Houston.

Housing Characteristics

Based on the 1990 Census, less than half of the housing units in the CMSA assessment area are owner-occupied. In Harris County, the owner-occupancy rate is 45.5 percent compared with statewide owner-occupancy of 52.7 percent. New housing was built at a rapid rate during the examination period. Most new housing was developed outside the city in suburban communities where land is less expensive.

The 1990 median housing value in the Houston area was \$63,832, but the Houston Association of Realtors has reported soaring prices, especially since 1995. In 2000, the median price reached \$109,500. When compared with income levels in the area, homeownership is not a viable option for low-income families and some moderate-income families.

Of the major cities in Texas, Houston was probably hardest hit by the economic downturn and subsequent job losses from 1982-87. In the LMI neighborhoods in the center of the city (inside the eastern portion of the Route 610 Loop that surrounds the city), the effect was disinvestment, abandonment and ultimately demolition. Because of legal issues, the land only recently became available for development. According to Houston's 2000 Consolidated Plan, a shortage of affordable housing exists in the city's LMI neighborhoods and for LMI families.

In an attempt to address affordable housing needs, the city has instituted several programs, including the Houston Hometown Program to increase homeownership. Community contacts indicated that CDCs and other housing development organizations have proliferated in LMI neighborhoods. In addition, a 20-square-mile area including Houston's central business district is a federally designated Enhanced Enterprise Community, with access to new economic

development financing programs for micro-enterprise and small business loans. Such activities offer numerous opportunities for community development lending and investments for area financial institutions.

Labor, Employment and Economic Characteristics

During the examination period, the Houston CMSA had a strong economy driven by the development of energy companies, the Port of Houston, the Texas Medical Center and the Johnson Space Center. The largest number of jobs are found in Harris County, which also has the nation's highest concentration of petrochemical plants and the largest U.S wheat-exporting port. The port ranks among the top U.S. ports in foreign trade value and total tonnage. Still, most of the businesses operating in the county (95 percent) have fewer than 50 employees, providing opportunities for small business lending.

The dominant industries with the most employment are services, retail and wholesale trade, followed by government and manufacturing. Houston offers the largest number of job opportunities. The Houston MSA unemployment rate was 4.1 percent in 1999 and 3 percent the following year.

EXHIBIT 6
Assessment Area Demographics
CMSA 3362 (Houston-Galveston-Brazoria, TX)

INCOME CATEGORIES	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	89	13.2	58,896	7.2	22,661	23.2	182,502	22.2
Moderate-income	192	28.5	204,424	24.8	41,548	42.6	135,803	16.5
Middle-income	208	30.9	277,249	33.7	24,531	25.2	167,473	20.4
Upper-income	184	27.4	282,394	34.3	8,790	9.0	337,185	40.9
Total Assessment Area	673	100.0	822,963	100.0	97,530	100.0	822,963	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacancy		
		#	%	#	%	#	%	
Low-income		31,387	4.9	58,001	11.0	25,021	15.2	
Moderate-income		132,325	20.7	168,247	31.8	57,388	34.9	
Middle-income		215,546	33.9	177,597	33.6	48,616	29.5	
Upper-income		257,572	40.5	124,768	23.6	33,482	20.4	
Total Assessment Area		636,830	100.0	528,613	100.0	164,507	100.0	
		Businesses by Tract and Revenue Size						
		Total Businesses by Tract		Under \$1 Million		Over \$1 Million		
		#	%	#	%	#	%	
Low-income		9,880	6.29	8,457	6.29	1,009	6.49	
Moderate-income		39,462	25.12	33,329	24.78	4,511	29.02	
Middle-income		49,324	31.40	42,089	31.29	4,958	31.89	
Upper-income		57,994	36.92	50,333	37.42	4,964	31.93	
Tract not reported		417	.27	302	.22	104	.67	
Total Assessment Area		157,077	100.0	134,510	100.0	15,546	100.0	

Note: The sum of businesses under \$1 million and businesses over \$1 million does not equal the total number of businesses because 7,021 businesses did not report revenues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 3362 (HOUSTON-GALVESTON-BRAZORIA, TX)

LENDING TEST

Chase's performance with respect to the lending test in CMSA 3362 was good. Lending activity, geographic distribution and borrower distribution were good, while community development lending activity was excellent. The facts and data used to evaluate the bank's performance in the assessment areas are shown in the Texas portion of Appendix D. Lending activity is depicted in

Table 1, geographic distribution is depicted in Tables 2-6 and borrower characteristics are depicted in Texas Tables 8-11.

Lending Activity: Chase's responsiveness to credit needs in the assessment area portion of CMSA 3362 was good. The bank originated or purchased a substantial number of loans during the examination period, particularly mortgage loans. Of the 22,472 loans analyzed, 61 percent were home mortgage loans.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected good loan penetration, although performance varied between HMDA-related loans and small loans to businesses.

Home Purchase Loans and Refinancings

When compared with the aggregate and the level of owner-occupied housing units, the overall geographic distribution of home purchase loans and refinancings across census tracts of different income levels reflected adequate penetration. In light of the previously discussed performance context issues, the performance of the aggregate indicates that these issues have negatively impacted lenders' ability to originate loans in LMI geographies.

Home Improvement Loans

The overall geographic distribution of home improvement loans across census tracts of different income levels reflected excellent penetration in LMI geographies when compared with the level of owner-occupied housing units and aggregate performance. Chase's performance exceeded the level of owner-occupied housing units and aggregate lending in LMI geographies.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses across geographies of different income levels reflected excellent penetration throughout the CMSA compared with the aggregate and the level of small business locations. The bank's level of small loans to businesses in the CMSA exceeded the aggregate in LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good distribution of HMDA-related loans and adequate distribution of small loans to businesses. HMDA-related loans represent most of the lending in the CMSA assessment area. Conclusions regarding HMDA-related lending focused primarily on the level of lending to moderate-income borrowers. As discussed in the performance context, the gap between housing costs and low-income levels limits lending opportunities.

Home Purchase Loans

The bank's home purchase lending to moderate-income borrowers reflected good distribution. Chase's lending was consistent with the level of moderate-income families but was less than the

aggregate. Chase's home purchase lending to low-income borrowers reflected adequate distribution when considering the performance context. An evaluation of aggregate bank performance confirmed lenders' difficulty in penetrating the low-income borrower market in the CMSA.

Refinance Loans

Chase's refinance loans to moderate-income borrowers reflected good distribution when compared with the level of moderate-income families. However, Chase's performance lagged behind that of the aggregate.

The bank's refinance lending to low-income borrowers reflected adequate distribution when previously discussed performance context issues are considered.

Home Improvement Loans

The bank's home improvement lending to moderate-income borrowers reflected excellent distribution. Chase's lending exceeded the level of moderate-income families and the performance of the aggregate.

Chase's home improvement lending to low-income borrowers reflected good distribution. The bank outperformed the aggregate of all lenders.

Small Loans to Businesses

Chase's record of lending to businesses of different sizes in CMSA 3362 was adequate. Approximately 46 percent of the bank's small business loans originated during the examination period were to businesses with GAR of \$1 million or less. The distribution was adequate when compared with 86 percent of the businesses in the CMSA that have GAR of \$1 million or less. The aggregate of all lenders outperformed Chase. Performance was consistent with Chase Texas' prior focus on middle market lending.

Community Development Lending: Chase's community development lending performance was excellent. During the examination period, community development loan commitments in the CMSA assessment area amounted to \$92 million, or 45 percent of total Texas activity. This lending for affordable housing, a documented credit need, totaled \$65 million or 71 percent of total CMSA activity. Lending for revitalization and stabilization totaled \$26 million or 28 percent of total activity, while community service lending totaled \$700 thousand or 1 percent of CMSA activity. In addition to the loan commitments, Chase issued a \$10 million letter of credit targeting supportive services.

Examples of community development lending in CMSA 3362 (Houston-Galveston-Brazoria, TX) include:

- A \$3.2 million loan to purchase two vacant office buildings, which will be demolished and developed into a mixed-use residential and commercial complex. The property is located in a tax reinvestment zone in Houston.

- A \$200 thousand line of credit to a nonprofit organization that provides humanitarian aid, clothing, shelter, education and job training to Houston's homeless population.
- A \$6 million loan to bridge LIHTC and bond financing for a 398-unit apartment complex undergoing renovation. Most of the units are restricted to LMI individuals.

INVESTMENT TEST

The level of investments in the CMSA was good. In the Houston-Galveston-Brazoria CMSA, qualified investments directly benefiting the assessment area totaled \$616 thousand, consisting entirely of charitable grants and contributions to organizations supporting community development projects and programs. The CMSA will also benefit from the bank's \$50 million investment in statewide LIHTCs.

SERVICE TEST

The service test is rated "high satisfactory" based on good performance in delivering both retail and community development services. For details on branch activity, see Texas Table 15 in Appendix D.

Retail Services

The bank's delivery systems were accessible to essentially all geographies and individuals of different income levels in this assessment area. Of the 50 branches in the CMSA assessment area, 13 or 26 percent are located in LMI geographies. In addition, 18 branches in non-LMI geographies located adjacent to LMI geographies help provide banking services. This availability compares favorably with the population in LMI geographies.

Chase maintained 141 ATMs in the CMSA, with 26 percent in LMI geographies, and the bank's mortgage affiliate operated five loan offices in the CMSA. Other alternative delivery systems are discussed in the Institution portion of this report.

Products and services did not vary in a way that inconveniences certain portions of the assessment areas, particularly LMI geographies and LMI individuals. Business hours were reasonable, and 80 percent of the branches operate with extended morning, evenings and/or weekend hours.

Community Development Services

Chase provided a high level of community development services. The bank participated in or sponsored 22 affordable housing seminars and workshops. Eleven bank officers provided technical assistance by serving on boards and committees of nine nonprofit organizations serving

the needs of small businesses, LMI individuals and geographies. The groups included New Foundations, the Buffalo Bayou Partnership, Main Street Corporation and the Houston Third Ward Redevelopment Council.

In 2000, the bank opened a Small Business Resource Center in Houston. Chase also made 22 donations of furniture and computers to nonprofit organizations.

METROPOLITAN AREAS

(FULL-REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 1922 (DALLAS-FORT WORTH, TX)

The assessment area portion of this CMSA, known as the Metroplex, is the second most important Chase market in Texas. It consists of part of PMSA 1920 (Dallas, TX), including Collin, Denton and Dallas Counties, and part of PMSA 2800 (Fort Worth-Arlington, TX), including Tarrant County. During the examination period, 36 percent of HMDA-related and 30 percent of small business loans evaluated in Texas were in this assessment area.

As of December 31, 2000, Chase operated 37 retail branches in the assessment area portion of CMSA 1922, primarily in Dallas County. The branches represent 31 percent of the branches in Texas and 25 percent of Texas deposits.

Chase's performance in the CMSA assessment area was evaluated in terms of the business and demographic context in which the bank operates. The CMSA is a highly competitive financial marketplace where many non-financial institution lenders compete with multinational, multistate and local banks. Chase's primary competitors include Bank of America, N.A. and Bank One, Texas, N.A., which dominate the market.

Based on deposits reported to the FDIC as of June 30, 2000, Chase has the third largest deposit market share (9 percent) in its assessment area portion of the CMSA. The largest deposit market share is held by Bank of America (23 percent), followed by Bank One (18 percent). Regarding HMDA-related home purchase and refinance lending in 2000, Chase and its affiliates rank fourth in the Metroplex assessment area with 3.9 percent of all such loan originations and purchases. The market leader is Wells Fargo with 7.1 percent of all such transactions, followed by Countrywide Mortgage with 5.8 percent. Regarding small business lenders, Chase and its affiliates rank eighth among all lenders.

Lenders such as GE Capital Financial and American Express Centurion dominated small business lending, and together these institutions reported 45 percent of all small business loans. Chase and its affiliates reported 3 percent.

Demographic and economic information impact the bank's performance. CMSA statistics are detailed in Exhibit 7 on page BB77 and discussed below. The information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), and the U.S. Department of Labor.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the total CMSA/Metroplex assessment area population is 3.6 million. With a population of 2.4 million, the Dallas PMSA portion of the assessment area accounts for approximately 67 percent of the total, with the remainder residing in the Fort Worth-Arlington PMSA.

Dallas County, located in PMSA 1920, forms the hub of the Metroplex area. Slightly more than half of Dallas County's population of 1.9 million resides in the city of Dallas, the county seat and third largest city in the state. The other major city in the assessment area, and sixth largest in the state, is Fort Worth, located in Tarrant County in PMSA 2800 (Fort Worth-Arlington, TX).

The assessment area has experienced substantial population growth over the decade. The 2000 Census indicates a growth rate of approximately 20 percent, bringing the population of Dallas County to 2.2 million.

Income Characteristics

The Dallas PMSA is the wealthiest in Chase's Texas assessment area. The 1999 HUD estimated median family income was \$58,200 increasing to \$60,800 in 2000. At the time of the 1990 Census, the median income in the PMSA was \$38,754.

Approximately two-thirds of the LMI census tracts in the CMSA assessment area are located in the PMSA 1920 (Dallas, TX) portion. Most are in the southern part of the city of Dallas in older communities such as Wilmer, Hutchins and Cockrell Hill. The LMI tracts in the PMSA 2800 portion of the assessment area are in the city of Fort Worth and in older rural communities such as Sansom Park, Haltom City and River Oaks.

Housing Characteristics

Based on 1990 Census data, approximately 49 percent of housing units in the CMSA assessment area are owner-occupied, compared with a statewide level of about 53 percent. However, in LMI census tracts, the level of owner-occupancy averages 31 percent, limiting HMDA-related lending opportunities. The Metroplex is well known for its volume of rental housing units. In 1998 the area led the nation in number of multifamily unit building permits issued. The pace slowed in 1999 and 2000 as construction was completed and units filled up.

During the examination period, population growth brought about a housing shortage. Most housing growth in the PMSA 1920 (Dallas, TX) portion of the assessment area occurred to the north of Dallas in communities such as Plano and Denton, which have become the headquarters of many large corporations providing numerous job opportunities. Statewide programs make some of these suburban homes affordable to LMI families.

Downtown Dallas, which contains many LMI communities, has grown rapidly. Buildings are being converted to loft apartments, and retail and restaurant facilities are installed at street level through the city's award-winning Intown Housing Program. On average, about 30 percent of the loft conversions supply affordable housing, and apartment rehabilitations such as Eban Village (100 percent) and Treymore at Cityplace (51 percent) were affordable to LMI families. In addition, the city has a land bank program in place providing vacant lots suitable for affordable housing development to nonprofit CDCs.

According to the Multiple Listing Service for the Dallas area, the average price of a home in the Metroplex area is \$171,800. This, combined with the income level of LMI families earning \$48,640 at most, means most LMI families cannot afford to own their own home.

Labor, Employment and Economic Characteristics

During the examination period, economic growth in the CMSA assessment area was strong partly because of the North American Free Trade Agreement ("NAFTA"), which has positively impacted all aspects of the economy. Although the population has grown, many employers report difficulty filling jobs. As of December 1999, the unemployment rate in the CMSA area was 2.8 percent, declining to 2.5 percent in December 2000.

Dominant industries include telecommunications, technology and health care. Major employers include Texas Instrument, Electronic Data Systems, Frito-Lay, Baylor Health Care System, MCI-WorldCom and the University of Texas Southwest Medical Center.

Investment and Enterprise Zones have been established in south Dallas to attract and assist small businesses. Through the Southern Dallas Development Corporation, the city offers multiple lending programs. The South Dallas Fair Park Trust Fund was established to provide economic development and community improvements to entities located in 13 low-income census tracts in south Dallas. Such commercial activities, combined with the housing initiatives discussed previously, offer many opportunities for community development lending and investments in the assessment area.

EXHIBIT 7
Assessment Area Demographics
CMSA 1922 (Dallas-Fort Worth, TX)

INCOME CATEGORIES	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	95	12.2	55,946	6.1	21,311	26.7	179,153	19.5
Moderate-income	190	24.4	199,817	21.7	31,129	38.9	161,002	17.5
Middle-income	255	32.6	352,551	38.3	21,384	26.7	205,348	22.3
Upper-income	240	30.8	312,635	33.9	6,148	7.7	375,446	40.7
Total Assessment Area	780	100.0	920,949	100.0	79,972	100.0	920,949	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacancy		
		#	%	#	%	#	%	
Low-income		28,589	3.9	58,921	9.8	25,333	15.4	
Moderate-income		137,111	18.5	174,996	29.3	53,877	32.7	
Middle-income		281,842	38.1	234,802	39.3	55,721	33.8	
Upper-income		292,639	39.5	129,209	21.6	29,715	18.1	
Total Assessment Area		740,181	100.0	597,928	100.0	164,646	100.0	
	Businesses by Tract and Revenue Size							
	Total Businesses by Tract		Under \$1 Million		Over \$1 Million			
	#	%	#	%	#	%		
Low-income	12,608	6.77	10,538	6.59	1,514	8.49		
Moderate-income	45,293	24.31	37,930	23.74	5,573	31.27		
Middle-income	61,556	33.03	53,510	33.48	5,098	28.60		
Upper-income	64,169	34.44	55,890	34.97	5,037	28.26		
Tract not reported	2,718	1.45	1,948	1.22	601	3.38		
Total Assessment Area	186,344	100.0	159,816	100.0	17,823	100.0		

Note: The sum of businesses under \$1 million and businesses over \$1 million does not equal the total number of businesses because 8,705 businesses did not report revenues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 1922 (DALLAS-FORT WORTH, TX)

LENDING TEST

Chase's performance with respect to the lending test was good. The bank demonstrated good lending activity, geographic distribution and borrower distribution as well as excellent community development lending.

The facts and data used to evaluate the bank's performance in the assessment area are shown in Appendix D. Lending activity is depicted in Texas Table 1, geographic distribution is depicted in Texas Tables 2-6, and borrower characteristics are depicted in Texas Tables 8-11.

Lending Activity: Lending activity in CMSA 1922 was good. The bank originated or purchased a substantial number of loans, particularly HMDA-related loans such as home purchase loans. Of the 20,365 analyzed in the CMSA assessment area, 71 percent were home mortgage loans. Of those, 77 percent were home purchase loans.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected good loan penetration although performance varied between HMDA-related loans and small loans to businesses.

Home Purchase Loans

When compared with the aggregate and level of owner-occupied housing units, overall geographic distribution of home purchase loans in LMI geographies reflected adequate penetration. While Chase's performance was poor compared with the level of owner-occupied housing units, particularly in moderate-income geographies, performance was only somewhat less than that of the aggregate. This type of performance indicates that the home purchase market in LMI geographies has been negatively impacted by the factors discussed in the Performance Context section.

Refinancings

The overall geographic distribution of refinancings across census tracts of different income levels also reflected adequate penetration in LMI geographies when compared with the aggregate and level of owner-occupied housing units. As with home purchase loans, performance context issues have limited lending opportunities in LMI geographies, as evidenced by the performance of the aggregate.

Home Improvement Loans

Home improvement loan penetration across census tracts of different income levels was excellent, based primarily on performance in moderate-income geographies where Chase's lending was consistent with the level of owner-occupied housing units and substantially exceeded that of the aggregate. Performance in low-income geographies was good when compared with aggregate performance.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses across geographies of different income levels reflected excellent penetration in LMI geographies compared with the number of small business locations. Moreover, Chase's level of lending significantly exceeded the aggregate in the CMSA.

Distribution by Borrower Income and Revenue Size of the Business: The distribution of loans among borrowers of different income levels and businesses of different sizes was good based on the level of lending to moderate-income borrowers and performance context issues such as the bank's reorganization of its small business lending and affordable housing challenges faced by low-income families in the CMSA.

Home Purchase Loans

The bank's home purchase lending to moderate-income borrowers reflected excellent distribution, particularly to moderate-income borrowers where the level of the bank's lending exceeded the level of moderate-income families and was consistent with the aggregate.

The bank's home purchase lending to low-income borrowers reflected poor distribution. The level of lending to low-income borrowers resulted in part from the gap between housing costs and borrower income level. Such a gap limits homeownership opportunities for low-income families. On average, low-income families do not earn more than \$30 thousand a year; however, the average housing cost is approximately \$172 thousand (Dallas County) or more than five times annual income. An evaluation of aggregate bank performance also revealed difficulty in penetrating the low-income borrower market in the CMSA, making the bank's performance commensurate with the aggregate.

Refinance Loans

Chase's refinancings to moderate-income borrowers reflected good distribution when compared with the aggregate and the level of moderate-income families.

The bank's refinance lending to low-income borrowers reflected poor distribution. An evaluation of aggregate bank performance also revealed difficulty in penetrating the low-income borrower market in the CMSA, making the bank's performance commensurate with the aggregate.

Home Improvement Loans

When compared with the level of moderate-income families and the aggregate, Chase's home improvement lending to moderate-income borrowers reflected excellent distribution. The bank's home improvement lending to low-income borrowers reflected good distribution when compared with the level of low-income families and the aggregate.

Small Loans to Businesses

Chase's record of lending to businesses of different sizes in CMSA 1922 was poor but adequate based on performance context. The bank's performance was impacted by the bank's reorganization and integration efforts in the Texas market in order to enlarge its commercial lending focus to include smaller businesses. During the examination period, approximately 32 percent of the bank's small business loans were to businesses with GAR of \$1 million or less. The distribution was poor when compared with 86 percent of the businesses in the CMSA that have GAR of \$1 million or less.

The aggregate of all lenders outperformed Chase during the examination period. However, 44 percent of the bank's small business loans did not indicate the revenue size of the borrower.

Community Development Lending: Chase's community development lending performance was excellent. During the examination period, loan commitments in the CMSA assessment area totaled \$81 million or 40 percent of total Texas activity. Community development lending for affordable housing totaled \$54 million or 67 percent of activity and helped to meet a pressing need in the assessment area. Lending for revitalization and stabilization totaled \$17 million or 21 percent of total activity while community service lending totaled \$10 million or 12 percent of CMSA activity.

Examples of community development lending in CMSA 1922 include:

- A \$937 thousand loan to build and renovate a shopping center, anchored by an Albertson's supermarket and serving a predominantly LMI area of Dallas. This construction helped revitalize and stabilize the neighborhood, bringing new businesses to an area of Dallas in need of economic rehabilitation.
- A \$2.9 million loan for lot development in southern Dallas in conjunction with the African American Pastors' Coalition. The master plan calls for development of 285 units of mixed-income housing and retail commercial sites. The development will serve as a catalyst to create jobs and provide opportunities for LMI individuals to learn new job skills.
- A \$2.8 million loan to a nonprofit corporation specializing in acquiring and managing affordable housing for LMI families. Proceeds were utilized for the acquisition and renovation of a 240-unit apartment complex in a moderate-income area of Mesquite.

INVESTMENT TEST

In the Dallas-Fort Worth assessment areas, Chase had a good level of qualified community development investments and grants that exhibited strong responsiveness to credit and community development credit needs. For details, see Texas Table 14 in Appendix D.

At this examination, qualified investments totaled \$21 million or 3 percent of the bank's total qualified investments. Total investments consisted of \$21 million in investments in various agencies engaged in community development activity, and \$213 thousand in charitable grants and contributions to organizations supporting community development projects and programs. In addition, the CMSA benefited from a \$50 million statewide investment in LIHTCs.

Chase's investments showed excellent responsiveness to the most pressing credit and community development needs in the bank's assessment areas. Approximately 62 percent of investments were directed to agencies that supported the development of affordable housing, a primary credit need in CMSA 1922. Economic development activity accounted for 38 percent of investment

activity and was directed primarily to a limited partnership for small business development and local CDFIs providing direct loans to very small businesses. These types of investments help meet small business credit needs, which were identified as an important community need in the Dallas-Ft. Worth assessment areas.

SERVICE TEST

The service test is rated "high satisfactory" based on good availability of retail services and a high level of community development services. For details about the branch delivery system, see Texas Table 15 in Appendix D.

Retail Services

Chase's delivery systems were accessible to essentially all geographies and individuals of different income levels in its assessment areas. Of the 37 branches in the CMSA assessment area, 10 or 27 percent are located in LMI geographies. Also, nine branches in non-LMI geographies provided services to adjacent LMI geographies.

In addition, the bank maintained 112 ATMs in the CMSA, with 29 percent in LMI tracts, and the bank's mortgage affiliate operated four loan offices. One loan office is located in a moderate-income geography. Other alternative delivery systems are discussed in the Institution portion of this report.

Products and services do not vary in a way that inconveniences certain portions of the assessment areas, particularly LMI geographies and LMI individuals. Business hours are reasonable and tailored to the community. Ninety-five percent of branches provided extended morning, evening or weekend hours. All LMI branches maintained extended hours.

Community Development Services

Chase provided a high level of community development services. The bank participated in or sponsored 25 seminars, workshops and fairs. Seven officers provided technical assistance by serving on boards and committees of ten nonprofit organizations concerned with the needs of LMI individuals and geographies. The groups included the Texas Association of Community Development Corporations and the Fannie Mae Advisory Council.

In 2000, the bank opened a Small Business Resource Center in Dallas, an area where approximately 95 percent of businesses have fewer than 50 employees. The center provides free information and technical assistance to start-up businesses and those with fewer than two years of business experience. Other community development services are discussed in the Institution portion of this report.

METROPOLITAN AREAS

(LIMITED REVIEW)

MSA 0640 (AUSTIN-SAN MARCOS, TX)

MSA 7240 (SAN ANTONIO, TX)

MSA 2320 (EL PASO, TX)

MSA 1240 (BROWNSVILLE-HARLINGEN-SAN BENITO, TX)

MSA 4880 (McALLEN-EDINBURG-MISSION, TX)

Facts and data reviewed, including performance and applicable demographic information, can be found in the Appendix D tables that accompany this report. Lending test information is depicted in Texas Tables 1-11. Information regarding investments is in Texas Table 14, and information about the service test is in Texas Table 15. Conclusions regarding performance in the individual assessment areas in relation to overall Texas state performance are as follows:

Texas Assessment Area	Lending Test	Investment Test	Service Test
MSA 0640	Consistent	Consistent	Below
MSA 7240	Consistent	Consistent	Consistent
MSA 2320	Consistent	Consistent	Consistent
MSA 1240	Below	Consistent	Consistent
MSA 4880	Consistent	Consistent	Consistent

These conclusions did not impact the overall state rating for Texas.

STATE

(FULL REVIEW)

CRA RATING FOR THE U.S. VIRGIN ISLANDS: Satisfactory.

The lending test is rated: Low satisfactory.

The investment test is rated: High satisfactory.

The service test is rated: Outstanding.

The major factors supporting the rating follow:

- The bank had an excellent level of community development loans and a significant level of qualified investments in the USVI.
- The volume of the bank's HMDA-related and small business loans originated or purchased represented adequate responsiveness to USVI credit needs.
- The overall geographic distribution of HMDA-related and small business loans reflected adequate penetration.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was adequate.
- Delivery systems were readily accessible in the entire assessment area.

SCOPE OF EXAMINATION

A full-scope analysis was conducted for the USVI assessment area for the 1999-2000 examination period. Since the bank's assessment area in the USVI includes only seven branches, the bank's operations and performance here are weighted less heavily in the overall CRA evaluation. The volume of HMDA-related lending and small business loans reviewed were too low to significantly impact overall conclusions.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE U.S. VIRGIN ISLANDS

Chase has designated the islands of St. Thomas (including Water Island), St. Croix and St. John as its assessment areas in the USVI. As of June 30, 2000, the bank operated seven retail branches in the USVI containing \$370 million in deposits, which is less than 1 percent of the bank's total branch deposits. Chase has the second largest branch network in the USVI with 32 percent of all USVI FDIC-insured deposits. Banco Popular de Puerto Rico ("BPPR") has the largest banking operation with nine branch offices and 47 percent of all deposits. Other large banks operating in the market include First Bank of Puerto Rico and Citibank, N.A. Local banks, which together account for approximately 11 percent of all USVI deposits, include Virgin Islands Community Bank, First Virgin Islands FSB and Bank of St. Croix, Inc.

On July 1, 1999, Chase management announced the intended sale of its USVI branches. During the regulatory approval process, which extended beyond the examination period, the bank had a

decline in staff that prompting management to downsize its community development operations in the USVI. In September 2001, it was announced that the sale would not be consummated. The last CRA evaluation of Chase performance in the USVI was conducted as of July 9, 1999, at which time the bank received a "satisfactory" rating.

According to the 1990 Census, the total population of the USVI is approximately 100 thousand, which is less than 1 percent of the total population residing in all the assessment areas evaluated at this examination. The 2000 Census indicates that the population expanded 7 percent to about 109 thousand. The population continues to be almost evenly divided between St. Thomas and St. Croix. The population of St. John is only about 3,500 as most of the island is a national park.

High housing and insurance costs and low income levels have resulted in the low level of owner-occupancy in the USVI. A comparison of median income levels and housing costs illustrates that homeownership is generally beyond the reach of LMI families in the USVI.

The Virgin Islands Housing Finance Authority ("VIHFA") provides most of the housing assistance programs, including a HOME Program that uses HUD funds to subsidize the cost of a home and the down payment. Much of this activity is in St. Croix where costs of land and housing are lower. Local community organizations are generally not active in providing affordable housing opportunities, and few opportunities exist for community development lending and investments in the assessment areas beyond those provided by the government.

The USVI economy has recently had difficulties. In early 1999, the U.S. government assisted the USVI with the formation of an economic recovery plan designed to bring about economic stability. Damage repairs from Hurricane Lenny in November 1999 put additional strains on the economy, resulting in a request for increased aid from the Federal Emergency Management Agency ("FEMA"). An estimated 40 to 50 percent of the territory's overall economy is based on U.S. aid. Loans for hurricane recovery for both homes and businesses were a pressing need during the examination period.

The tourism-oriented service sector drives the local economy, accounting for 63 percent of the territory's gross domestic product ("GDP").

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE USVI

LENDING TEST

Chase's performance with respect to the lending test is rated "low satisfactory."

The facts and data used to evaluate the bank's performance in the assessment area are shown in the USVI portion of Appendix D. Lending activity is depicted in USVI Table 1.

Lending Activity: Chase's responsiveness to retail credit needs in the USVI was adequate. Overall, home purchase and refinance loan volume, as well as small business loan volume,

decreased since the previous examination. Lending activity in the USVI accounted for less than 1 percent of the bank's total lending activity evaluated at this examination.

Geographic Distribution of Lending: The overall geographic distribution of retail loans reflected adequate loan penetration, although performance varied between HMDA-related loans, which represented most of the bank's lending activity, and small loans to businesses. In addition, performance was not rated on the island of St. John because of the absence of LMI geographies.

Home Purchase Loans and Refinancings

When compared with the level of owner-occupied housing units, the overall geographic distribution of home purchase loans and refinancings across geographies of different income levels reflected adequate penetration.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses across geographies of different income levels reflected excellent penetration throughout the USVI assessment area when compared with the percentage of LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans reflected an acceptable level of distribution based on the high housing costs and low incomes. The information provided by the bank on its HMDA-related lending, which is not required under HMDA, is limited. Most of the HMDA-related and small business lending took place in St. Thomas.

HMDA-related Loans

HMDA-related loans represented 80 percent of lending in the USVI and reflected an adequate level of lending when considering housing costs and median incomes in this area.

Small Business Loans

Small business loans represented 20 percent of overall loans, reflecting adequate distribution of these loans. Approximately half of the loans were to businesses with GAR of \$1 million or less, and represent a slight increase over the previous examination. Sixty-five percent or 60 small business loans were for \$100 thousand or less, with an average loan amount of \$39,500.

Community Development Lending: Chase's community development lending performance was outstanding based on the limited opportunities available in the assessment areas. During the examination period, community development loan commitments in the USVI totaled \$15 million or 1 percent of total activity. Most of the lending initiatives were to governmental agencies targeting affordable housing and economic development for the entire USVI. Activity targeting affordable housing amounted to \$5 million or 33 percent while \$10 million or 67 percent of activity targeted economic development. Seventeen percent of activity or \$3 million was on the island of St. Croix.

INVESTMENT TEST

Chase's performance under the investment test is rated "high satisfactory" based on the limited availability of qualified investment opportunities in the USVI. During the examination period, the bank had qualified investments of \$99 thousand, or less than 1 percent of the bank's total investments in its combined assessment areas. Approximately 75 percent of investments were charitable grants and contributions to various community and charitable organizations engaged in community development activity.

Of qualified investments, 68 percent were directed to community services, 27 percent to affordable housing, and 5 percent to community revitalization. Approximately 58 percent of investments benefited St. Croix, 17 percent benefited St. Thomas, and 3 percent St. John. Twenty-two percent of qualified investments benefited the USVI as a whole.

SERVICE TEST

Chase's rating under the service test for its USVI assessment areas is "outstanding." The bank's service delivery systems were readily accessible to geographies and individuals of different income levels in its assessment areas. No branches opened or closed. Services did not vary in a way that inconveniences the bank's assessment areas. Alternative delivery systems enhanced the bank's distribution of banking services throughout its assessment areas. The bank provided an excellent level of community development services during the examination period.

Retail Services

The bank's delivery systems were readily accessible to geographies and individuals of different income levels. For details, see USVI Table 15. Two non-LMI branches are adjacent to LMI tracts.

During the examination period, Chase maintained 13 ATMs, 6 of which were located off-site. Of the six branches with ATMs, two or 33 percent were LMI branches. Bilingual telephone banking and the "Loan-By-Phone" service provide information about products and services, as well as account balances, transfers between accounts and credit applications. Deposit and credit services and products are available at all branches. The bank provides free government check cashing for non-account holders.

Services did not vary in a way that inconveniences certain portions of the assessment areas, particularly LMI geographies and LMI individuals. Fifty-seven percent of the branches maintained extended hours. Extended hours were provided at two of the branches in St. Thomas, the branch in St. John and one in St. Croix.

Community Development Services

The bank was a leader in providing community development services, which generally benefited the entire USVI assessment area. In St. Croix, the bank sponsored or participated in 27 workshops and seminars. Events for National Teach Children to Save Program, the New Image Foundation and the Family Self Program were presented. Five events in St. John included a seminar for the local Small Business Development Center. In St. Thomas, 16 small business seminars were presented at the St. Thomas Small Business Development Center.

Six officers and employees participated on seven boards and committees of groups such as Catholic Charities and St. Croix Foundation Community Development.

NON-METROPOLITAN AREAS (USVI)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NON-MSA ST. THOMAS

Chase's operations are concentrated in St. Thomas, the financial center of the USVI. As of June 30, 2000, the bank maintained four of its seven USVI retail branches in this assessment area. The branches contain approximately \$246 million in deposits or 66 percent of the bank's total deposits in the USVI. The bank originated or purchased 235 HMDA-related loans and 73 small business loans during the examination period, accounting for 78 percent and 61 percent, respectively, of all loans in the USVI assessment area evaluated at this examination.

Chase's performance was evaluated in terms of the business and demographic context in which the bank operates. The marketplace is small and competition is limited to five financial institutions. BPPR holds just over half of the total \$805 million FDIC-insured deposits on the island. Chase maintains the second largest deposit market share with 31 percent. Information needed to determine loan market share in this assessment area was unavailable.

Demographic and economic information also impacts the bank's performance and is discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), and the USVI Bureau of Economic Research.

PERFORMANCE CONTEXT

Demographic Characteristics

The island of St. Thomas contains Charlotte Amalie, the capital of the USVI. According to the 1990 Census, the island's population is approximately 48 thousand, about half the total population in the bank's USVI assessment area. The 2000 Census indicates that the population increased 6 percent to 51 thousand.

Income Characteristics

The HUD estimated median family in St. Thomas for both 1999 and 2000 is \$42,300. Of the 15 block numbering areas ("BNAs") used in the analysis, 1 or 7 percent is considered LMI.

Housing Characteristics

According to the 1990 Census, of the 18,433 housing units in St. Thomas, 6,397 or 35 percent are owner-occupied, and 9,248 or 50 percent are rental units. The remaining units are vacant, and this category includes vacation homes. The LMI BNA has only 280 owner-occupied housing units, providing minimal opportunities for HMDA-related lending.

Based on information obtained from the USVI Bureau of Economic Research, 347 homes or condominiums were sold in St. Thomas in 1999 and 367 such units were sold the next year. The

average selling price for a home is \$267 thousand while the average condominium price is \$160 thousand. When these prices are compared with USVI income levels, homeownership is very difficult for most LMI families.

Labor, Employment and Economic Characteristics

Tourism, which grew in both 1999 and 2000, dominates the St. Thomas economy. The territorial government also provides a large number of jobs. The 1999 unemployment rate in St. Thomas was 7 percent, declining slightly to 6.9 percent the following year.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA ST. THOMAS

LENDING TEST

Performance under the lending test was adequate, based on adequate lending activity, geographic and borrower distribution, and excellent community development lending.

Lending Activity: Since the previous examination, home purchase loans and refinancings increased, while small business loans decreased. Home purchase loans and refinancings in St. Thomas represent 61 percent of all such loans originated in the USVI assessment areas, and small business loans represent 78 percent.

Geographic Distribution of Lending: The overall geographic distribution of retail loans reflected adequate loan penetration, although performance varied between HMDA-related loans and loans to small businesses.

Home Purchase Loans and Refinancings

When compared with the level of owner-occupied housing units, the geographic distribution of home purchase loans and refinancings across geographies of different income levels reflected adequate penetration in St. Thomas.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses across geographies of different income levels reflected excellent penetration compared with the percentage of LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of HMDA-related loans reflected adequate loan performance, although this performance varied between HMDA-related loans, which represent most of the bank's lending activity, and small loans to businesses.

HMDA-related Loans

Out of 228 loans in St. Thomas, Chase had 5 loans (2 percent) to low-income borrowers and 16 loans (7 percent) to moderate-income borrowers.

Small Business Loans

The overall lending to small businesses was adequate, with 73 (78 percent) of the 93 total small business loans made by Chase. Forty-four of the loans were less than or equal to \$100 thousand with an average loan size of \$45 thousand, and 34 of the loans were to businesses with GAR equal to or less than \$1 million.

Community Development Lending: St. Thomas benefited from the excellent level of community development lending overall. As previously discussed, this lending activity was not directed specifically to St. Thomas. More than 50 percent of total community development lending to governmental entities (\$12 million) in the USVI assisted the combined assessment areas.

INVESTMENT TEST

The level of qualified investments was good based on benefits derived from total investments, as discussed on page BB86. Qualified investments for organizations headquartered in St. Thomas totaled approximately \$17 thousand.

SERVICE TEST

Service test performance was excellent based on accessibility of branches and community development services. For details, see page BB86.

NON-METROPOLITAN AREAS (USVI)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NON-MSA ST. CROIX

As of June 30, 2000, Chase maintained two of its seven USVI retail branches in the St. Croix assessment area. The branches contain approximately \$92 million in deposits or 25 percent of the bank's total deposits in the USVI. The bank originated or purchased 97 HMDA-related loans and 15 small business loans in St. Croix during the examination period, accounting for 25 percent and 16 percent, respectively, of all loans evaluated at this examination in the USVI.

Chase's performance was evaluated in terms of the business and demographic context in which the bank operates. In this small marketplace, competition is limited to five financial institutions. BPPR has the largest deposit market share with \$104 million or 34 percent of the total \$308 million FDIC-insured deposits on the island. Chase maintains the second largest deposit market share with \$92 million or 30 percent of the total. Information to determine loan market share in this assessment area was unavailable.

Demographic and economic information also impacts the bank's lending performance and is discussed below. Information was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), and the USVI Bureau of Economic Research.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, St. Croix has a population of approximately 50 thousand. The 2000 Census indicates a 6 percent increase in population since 1990.

Income Characteristics

The HUD-adjusted median family income in St. Croix for both 1999 and 2000 is \$32,300. This represents a considerable increase over from the 1990 Census figure of \$20,835.

Housing Characteristics

According to the Jan and Kurt Komives Compilation of St. Thomas/St. John Real Estate Market Transactions, the average cost of a home in 1998 is \$188,170, while the median housing price is \$140,000.

Labor, Employment and Economic Characteristics

As in St. Thomas, the major industry in St. Croix is tourism, but St. Croix also has a sizable number of manufacturing jobs. Hess Oil operates one of the world's largest petroleum refineries

and is the largest single employer on the island. The most recently available unemployment rate for St. Croix is 7.2 percent as of March 1998.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA ST. CROIX

LENDING ACTIVITY

Performance under the lending test was good based on good lending activity and geographic distribution, adequate borrower distribution and excellent community development lending.

Lending Activity: Since the previous examination, home purchase loans, refinancings and small business loan volumes have declined. Home purchase loans and refinancings in St. Croix represent 25 percent of all such loans originated in the USVI assessment areas, and small business loans represent 16 percent.

Geographic Distribution of Lending: The overall geographic distribution of retail loans reflected good loan penetration, although performance varied between HMDA-related loans and small loans to businesses.

Home Purchase Loans and Refinancings

When compared with the level of owner-occupied housing units in St. Croix, the geographic distribution of home purchase loans and refinancings across geographies of different income levels reflected good penetration.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses across geographies of different income levels reflected excellent penetration in St. Croix when compared with the percentage of LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of HMDA-related loans reflected adequate loan performance, although this performance varied between HMDA-related loans, which represented most of the bank's lending activity, and small loans to businesses.

HMDA-related Loans

Chase had seven loans to LMI borrowers (one low-income, six moderate-income). Although comparative information is unavailable, the distribution of HMDA-related loans across different borrower income levels reflected adequate penetration in St. Croix.

Small Business Loans

Chase extended 15 small business loans in St. Croix, which represent 16 percent of such lending in the assessment area. Nine of the loans were to businesses with GAR equal to or less than \$1 million, and 12 of the loans were for \$100 thousand or less.

Community Development Lending: Community development lending was excellent, totaling \$3 million. The lending targeted the development of 32 units of affordable housing.

As previously discussed, community development lending activity was not specifically directed to St. Croix. More than 50 percent of such lending to governmental entities (\$12 million) in the USVI assisted the combined assessment areas.

INVESTMENT TEST

Investments were good based on benefits derived from total investments, as discussed on page BB86. Qualified investments for organizations headquartered in St. Croix totaled approximately \$57 thousand.

SERVICE TEST

Service test performance was excellent based on accessibility of branches and community development services. For details, see page BB86.

NON-METROPOLITAN AREAS (USVI)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NON-MSA ST. JOHN

Chase maintained one of its seven USVI retail branches in this assessment area. The branch contains approximately \$32 million in deposits or 9 percent of the bank's total deposits in the USVI. The bank originated or purchased 51 HMDA-related loans and 5 small business loans in St. John during the examination period, accounting for 13 percent and 5 percent, respectively, of all loans evaluated at this examination in the USVI assessment area.

The bank's performance was evaluated in terms of the business and demographic context in which Chase operates. The marketplace is limited as a national park occupies most of St. John. Chase is the only bank on the island with FDIC-insured deposits.

Demographic and economic information also impacts the bank's performance and is discussed below. Data was obtained from publicly available sources including HUD, the U.S. Department of Commerce's Bureau of the Census (1990 and 2000), and the USVI Bureau of Economic Research.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 2000 Census, St. John's population increased 20 percent since 1990 to approximately 4,000.

Income Characteristics

The HUD-adjusted median family income in St. John for both 1999 and 2000 is \$42,300, which increased considerably from the 1990 Census figure of \$31,277.

Housing Characteristics

According to the Jan and Kurt Komives Compilation of St. Thomas/St. John Real Estate Market Transactions, the average cost of a home in 1998 was \$355,200, while the median housing price was \$275,000.

Labor, Employment and Economic Characteristics

St. John's economy is based entirely on tourism. The March 1998 unemployment rate for St. John (combined with St. Thomas) is 5.4 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA ST. JOHN

LENDING TEST

Performance under the lending test was adequate based on the limited opportunities for all types of lending.

Lending Activity: Since the previous examination, the volume of both home purchase loans and refinancings volumes increased, while small business loans remained unchanged. Home purchase loans and refinancings in St. John represent 13 percent of all such loans originated in the USVI assessment areas, and small business loans represent 5 percent.

Geographic Distribution of Lending: The geographic distribution of lending was not analyzed because of the absence of LMI geographies on the island. St. John has only two BNAs, and neither are LMI. One tract is middle-income and the other is upper-income.

Distribution by Borrower Income and Revenue Size of the Business: Some limited lending was extended to moderate-income borrowers.

HMDA-related Loans

Out of the 50 HMDA-related loans Chase made in St. John, the bank had no loans to low-income borrowers and two loans (4 percent) to moderate-income borrowers.

Small Business Loans

In small business lending, 5 or 5 percent of Chase's 93 small business loans were originated in St. John. Two of the loans were to businesses with GAR equal to or less than \$1 million. Four of these loans were for \$100 thousand or less.

Community Development Lending: As previously discussed, community development lending activity was not specifically directed to St. John. More than 50 percent of this lending to governmental entities (\$12 million) in the USVI assisted the combined assessment areas.

INVESTMENT TEST

The level of investments was good based on limited opportunities. Qualified investments for organizations headquartered in St. John totaled approximately \$3,000.

SERVICE TEST

Service test performance was excellent. Chase is the only bank operating in St. John. For details, see page BB86.

CRA APPENDIX A
SCOPE OF EXAMINATION

See page BB4 for details about the examination scope.

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED:		1/1/99 to 12/31/2000	
FINANCIAL INSTITUTION The Chase Manhattan Bank 270 Park Avenue New York, NY 10017			LOAN PRODUCTS REVIEWED <ul style="list-style-type: none"> • Home purchase • Refinancings • Small business • Community development
AFFILIATE(S)	AFFILIATE RELATIONSHIP		LOAN PRODUCTS REVIEWED
Chase Bank of Texas, N.A.	Holding company subsidiary		<ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement • Small business • Community development
Morgan Guaranty Trust Company	Holding company subsidiary		Community development
Chase Manhattan Mortgage Corporation	Holding company subsidiary		<ul style="list-style-type: none"> • Small business loans • Home purchase loans • Refinancings
Chase Manhattan Bank, N.A.	Holding company subsidiary		<ul style="list-style-type: none"> • Small business loans • Home purchase loans • Refinancings
<i>Continued on next page</i>			

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION		
ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED*
CMSA 5602	On-site	3515 Broadway; NY, NY 10031
	Full review	969 Eighth Ave.; NY, NY 10019 210 Flushing Ave.; Brooklyn, NY 11205 8418 Bay Parkway; Brooklyn, NY 11214 188-190 Main St.; Fort Lee, NJ 07024 84 Ridgewood Ave. E.; Ridgewood, NJ 07540 148 Market St.; Paterson, NJ 07509 161 Hillside Road; Fairfield, CT 06430 999 Broad St.; Bridgeport, CT 06604 123 Boston Ave.; Bridgeport, CT 06610
NEW YORK STATE: MSA 1280 (Buffalo-Niagara Falls, NY) MSA 6840 (Rochester, NY) MSA 8160 (Syracuse, NY) MSA 0960 (Binghamton, NY) MSA 2335 (Elmira, NY) MSA 8680 (Utica-Rome, NY) MSA 0160 (Albany-Schenectady-Troy, NY) STATE OF TEXAS: CMSA 1922 (Dallas-Fort Worth, TX) CMSA 3362 (Houston-Galveston-Brazoria, TX) MSA 0640 (Austin-San Marcos, TX) MSA 1240 (Brownsville-Harlingen-San Benito, TX) MSA 2320 (El Paso, TX) MSA 4880 (McAllen-Edinburg-Mission, TX) MSA 7240 (San Antonio, TX) USVI: Non-MSA St. Thomas Non-MSA St. Croix Non-MSA St. John	Off-site Full review	712 Main Street; Houston, TX 77002

* 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

THE CHASE MANHATTAN BANK CRA Performance July 9, 2001				
State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
CMSA 5602	Outstanding	Outstanding	Outstanding	Outstanding
New York	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Texas	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
United States Virgin Islands	Low Satisfactory	High Satisfactory	Outstanding	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 upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (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 121.30 1) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community development financial institution ("CDFI"): A specialized financial institution that has been certified by the U.S. Treasury as a provider of loans and services assisting low- and moderate-income areas and persons. CDFIs include community development banks, credit unions, loan funds, venture capital funds, and micro-enterprise loan funds.

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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applications, the amount of loan requested, and the disposition of the application (e.g., 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 percent tabulations, the count of households always equals the count of occupied housing units.

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

Limited review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all 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.

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

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

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 nonmortgage, 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 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

CRA APPENDIX D

FFIEC INTERAGENCY CORE CRA PUBLIC EVALUATION TABLES

Table 1. Lending Volume

LENDING VOLUME		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000	
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA***	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans*		Total Reported Loans		% of Rated Area Deposits in MSA/AA**	
		#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)		
Full-Review:													
PMSA 5600	62.52	41,109	7,566,606	51,441	2,824,224	0	0	294	430,721	92,844	10,821,551	88.14	
PMSA 5380	21.10	16,496	2,893,987	14,815	922,888	0	0	14	21,976	31,325	3,838,851	7.52	
PMSA 5660	0.15	135	21,194	83	3,799	0	0	1	4,134	219	29,127	0.05	
PMSA 5640	5.01	3,363	560,765	4,074	168,635	0	0	7	6,839	7,444	736,239	1.52	
PMSA 0875	4.59	3,709	680,370	3,102	165,350	0	0	0	0	6,811	845,720	0.92	
PMSA 3640	1.16	1,174	170,431	546	30,030	0	0	1	1,300	1,721	201,761	0.00	
PMSA 8040	2.24	1,786	529,478	1,539	91,218	0	0	0	0	3,325	620,696	0.70	
PMSA 1160	1.84	1,110	156,184	1,609	81,045	0	0	8	4,937	2,727	242,166	0.89	
PMSA 5480	0.31	233	23,402	234	14,549	0	0	0	0	467	37,951	0.07	
PMSA 1930	1.08	801	126,613	809	36,847	0	0	0	0	1,610	163,460	0.20	
NY STATEWIDE								8	216,930	8	216,930		
CT STATEWIDE								2	6,000	2	6,000		
CHASE LOANS OUTSIDE ASSESSMENT AREA								35	93,484	35	93,484		

* The evaluation period for community development loans is April 1, 1999, to March 31, 2001.
 ** Deposit data as of June 30, 2000. Rated area refers to the multistate MSA rating area.
 *** Loan data as of December 31, 2000. Rated area refers to the multistate MSA rating area.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000			
Metropolitan Statistical 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	
PMSA 5600	33,036	61.35	2.01	4.53	7.82	9.60	29.17	26.24	61.00	59.63	3.40	8.60	26.83	61.19	
PMSA 5380	12,207	22.67	0.04	0.06	11.81	19.19	68.73	64.41	19.42	16.33	0.06	16.36	65.99	17.59	
PMSA 5660	106	0.20	8.55	19.81	0.00	0.00	31.85	30.19	59.60	50.00	12.99	0.00	33.87	53.15	
PMSA 5640	2,198	4.08	2.57	4.82	13.52	17.24	36.68	36.49	47.22	41.45	3.96	14.44	34.45	47.14	
PMSA 0875	2,616	4.86	0.79	1.95	11.01	22.40	56.56	51.30	31.64	24.35	1.19	12.94	54.31	31.56	
PMSA 3640	883	1.64	0.60	0.45	10.42	15.52	59.59	59.23	29.40	24.80	1.30	14.70	57.40	26.60	
PMSA 8040	1,302	2.42	3.19	4.38	15.40	20.51	38.17	37.33	43.24	37.79	3.74	18.10	36.71	41.45	
PMSA 1160	781	1.45	2.13	3.20	6.85	8.83	55.01	49.81	36.02	38.16	2.05	7.31	54.85	35.79	
PMSA 5480	158	0.29	10.43	9.49	22.98	30.38	47.77	39.24	18.82	20.89	8.76	28.91	46.96	15.38	
PMSA 1930	561	1.04	0.00	0.00	11.25	14.44	65.35	63.64	23.39	21.93	0.00	12.75	63.79	23.44	

Full Review:

* Based on 1999 aggregate HMDA data only.
 ** Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
 *** 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 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000			
Metropolitan Statistical 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	
PMSA 5600	8,062	50.21	2.01	2.87	7.82	9.66	29.17	22.61	61.00	64.86	3.33	9.32	26.47	60.88	
PMSA 5380	4,289	26.71	0.04	0.00	11.81	14.62	68.73	66.29	19.42	19.10	0.06	13.93	68.43	17.58	
PMSA 5660	29	0.18	8.55	24.14	0.00	0.00	31.85	24.14	59.60	51.72	16.03	0.00	28.06	55.91	
PMSA 5640	1,165	7.26	2.57	2.92	13.52	17.42	36.68	32.96	47.22	46.70	2.95	14.42	32.12	50.51	
PMSA 0875	1,093	6.81	0.79	2.29	11.01	17.02	56.56	51.78	31.64	28.91	1.09	10.59	52.41	35.91	
PMSA 3640	291	1.81	0.60	0.69	10.42	15.12	59.59	61.86	29.40	22.34	0.80	11.61	60.48	27.11	
PMSA 8040	484	3.01	3.19	1.65	15.40	18.18	38.17	31.61	43.24	48.55	2.64	13.53	34.52	49.31	
PMSA 1160	329	2.05	2.13	0.91	6.85	5.78	55.01	46.81	36.02	46.50	1.86	5.10	50.86	42.18	
PMSA 5480	75	0.47	10.43	9.33	22.98	32.00	47.77	40.00	18.82	18.67	12.22	25.07	42.67	20.04	
PMSA 1930	240	1.49	0.00	0.00	11.25	8.75	65.35	70.00	23.39	21.25	0.02	8.67	62.59	28.72	

* Based on 1999 aggregate HMDA data only.

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

*** 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 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: CMSA 5602										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000			
Metropolitan Statistical 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	
PMSA 5600	51,441	65.74	6.76	8.33	15.67	15.45	23.01	22.97	52.30	53.25	6.75	13.67	25.69	53.89	
PMSA 5380	14,815	18.93	0.15	0.14	13.99	10.25	65.70	64.86	20.14	24.75	0.09	12.51	64.96	22.44	
PMSA 5660	83	0.11	14.08	15.66	0.00	0.00	52.50	51.81	33.42	32.53	24.27	0.00	37.38	38.35	
PMSA 5640	4,074	5.21	8.73	3.95	14.22	8.81	35.44	34.76	41.57	52.48	5.11	12.62	35.37	46.89	
PMSA 0875	3,102	3.96	3.41	3.68	15.19	16.02	53.52	49.97	27.77	30.34	2.15	14.48	54.15	29.23	
PMSA 3640	546	0.70	1.18	2.38	17.68	8.61	55.07	58.61	25.61	30.40	1.43	14.93	55.74	27.90	
PMSA 8040	1,539	1.97	13.67	15.98	24.34	20.79	33.45	32.42	28.54	30.80	10.71	21.29	33.01	34.98	
PMSA 1160	1,609	2.06	7.29	10.19	11.08	11.81	52.88	50.16	27.54	27.84	6.02	9.76	51.79	32.43	
PMSA 5480	234	0.30	17.50	14.10	27.49	18.38	40.10	55.98	14.92	11.54	12.40	28.89	44.13	14.58	
PMSA 1930	809	1.03	0.03	0.00	22.82	20.77	58.33	62.92	18.83	16.32	0.00	18.79	59.37	21.84	

Full Review:

* Based on 1999 aggregate small business data only.

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

*** Source: Dun and Bradstreet.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: CMSA 5602												Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000			
Metropolitan Statistical 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			
PMSA 5600	18,434	60.13	24.98	1.63	15.18	11.19	18.27	26.03	41.56	61.15	1.65	10.15	25.74	62.46			
PMSA 5380	6,502	20.24	16.36	4.48	19.26	22.45	26.30	30.89	38.08	42.18	4.96	22.64	32.54	39.86			
PMSA 5660	6,265	20.44	19.70	0.00	13.49	12.33	22.06	23.29	44.76	64.38	2.99	13.91	29.75	53.35			
PMSA 5640	1,08	4.59	21.68	5.61	17.59	19.60	22.20	29.55	38.53	45.24	5.43	21.57	27.69	45.31			
PMSA 0875	1,688	5.51	18.58	2.73	18.93	17.71	23.59	35.66	38.91	43.90	4.88	19.19	31.01	44.92			
PMSA 3640	522	1.70	22.91	1.15	16.23	7.85	21.11	29.12	39.75	61.88	3.03	11.62	29.08	56.27			
PMSA 8040	1,124	3.67	19.92	9.96	18.81	15.93	20.26	23.58	41.01	50.53	10.22	17.38	20.84	51.56			
PMSA 1160	646	2.11	19.67	10.22	17.57	19.66	23.56	23.22	39.20	46.90	7.86	23.16	26.24	42.73			
PMSA 5480	120	.39	29.88	6.67	20.89	30.83	22.65	33.33	26.58	29.17	10.81	32.79	30.94	25.46			
PMSA 1930	438	1.43	15.29	7.08	20.13	22.60	27.36	28.08	37.23	42.24	9.60	24.90	27.18	38.32			

Full Review:

* Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
 ** Based on 1999 aggregate HMDA data only.
 *** As a percentage of loans with borrower income information available. No information was available for 43 percent of loans originated and purchased by the bank.
 **** Percentage of families is based on 1990 Census information.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans ("Refinancings")

Borrower Distribution: HOME MORTGAGE REFINANCE														
State: CMSA 5602														
Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000														
Metropolitan Statistical 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
PMSA 5600	4,135	48.05	24.98	2.44	15.18	9.53	18.27	21.43	41.56	66.60	4.02	11.20	24.50	60.19
PMSA 5380	2,067	24.02	16.36	4.98	19.26	20.85	26.30	31.79	38.08	42.38	7.32	22.33	32.04	38.31
PMSA 5660	18	.21	19.70	0.00	13.49	5.56	22.06	11.11	44.76	83.33	2.52	10.64	25.21	61.62
PMSA 5640	670	7.79	21.68	6.27	17.59	18.66	22.20	23.73	38.53	51.34	6.29	18.21	26.26	49.24
PMSA 0875	676	7.86	18.58	5.47	18.93	15.83	23.59	30.18	38.91	48.52	5.15	17.00	28.43	49.42
PMSA 3640	145	1.69	22.91	4.14	16.23	18.62	21.11	28.28	39.75	48.97	4.84	14.16	26.83	54.17
PMSA 8040	398	4.63	19.92	9.30	18.81	17.09	20.26	18.09	41.01	55.53	8.79	16.66	21.21	53.35
PMSA 1160	264	3.07	19.67	6.06	17.57	19.70	23.56	23.48	39.20	50.76	7.38	19.26	25.91	47.45
PMSA 5480	63	.73	29.88	11.11	20.89	22.22	22.65	25.40	26.58	41.27	9.80	24.59	29.76	35.85
PMSA 1930	169	1.96	15.29	11.24	20.13	21.30	27.36	30.18	37.23	37.28	8.81	21.48	27.85	41.86

Full-Review:

* Refinancings originated and purchased in the MSA/AA as a percentage of all refinancings originated and purchased in the rated area.
 ** Based on 1999 aggregate HMDA data only.
 *** As a percentage of loans with borrower income information available. No information was available for 46 percent of loans originated and purchased by the bank.
 **** Percentage of families is based on 1990 Census information.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: CMSA 5602		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000					
Metropolitan Statistical 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 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	51,441	65.74	82.54	59.49	48,003	2,019	1,419	119,475	68,088
PMSA 5380	14,815	18.93	85.37	57.76	13,465	722	628	47,355	28,599
PMSA 5660	83	.11	87.05	27.71	77	3	3	412	233
PMSA 5640	4,074	5.21	84.11	46.54	3,942	76	56	19,487	11,409
PMSA 0875	3,102	3.96	83.56	41.81	2,911	106	85	19,859	11,315
PMSA 3640	546	.70	83.23	26.92	511	18	17	5,312	2,907
PMSA 8040	1,539	1.97	84.18	44.70	1,420	70	49	6,646	4,014
PMSA 1160	1,609	2.06	85.63	50.03	1,507	67	35	4,582	2,829
PMSA 5480	234	.30	86.83	34.19	212	11	11	1,516	850
PMSA 1930	809	1.03	87.17	35.72	772	15	22	3,534	2,245

* Businesses with revenues of \$1 million or less as a percentage of all businesses. Source: Dun & Bradstreet 1999
 ** 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 4 percent of small loans to businesses originated and purchased by the bank.
 *** Based on 1999 aggregate small business data only.
 **** Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		State: Multistate CMSA 5602		Evaluation Period: JANUARY 1, 1999, TO MARCH 31, 2001				
Metropolitan Statistical Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**	
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)
PMSA 5600	40	188,516	1,317	92,754	1357	281,270	22	154,296
PMSA 5380	1	200	114	754	115	954	0	0
PMSA 5660	0	0	0	0	0	0	0	0
PMSA 5640	2	125	106	4,193	108	4,318	0	0
PMSA 0875	0	0	23	144	23	144	0	0
PMSA 3640	0	0	26	114	26	114	0	0
PMSA 8040	0	0	25	171	25	171	0	0
PMSA 1160	2	1815	33	4,057	35	5,872	1	1,814
PMSA 5480	0	0	32	179	32	179	0	0
PMSA 1930	0	0	2	3	2	3	0	0
Statewide- NY CMSA 5602	32	188,597	58	198,135	90	386,732	32	236,761
Statewide- NJ CMSA 5602	28	34,131	27	12,355	55	46,486	30	23,085
Statewide- CT CMSA 5602	28	23,600	23	323	51	23,923	27	16,702

Full-Review:

* "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 bank's financial reporting system.
 *** Statewide investments include 26 regional investments whose totals are proportioned between the NY, NJ and CT, portions of CMSA 5602 and Texas.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										State: CMSA 5602						Evaluation Period: 1999-2000					
Metropolitan Statistical Area/ Assessment Area	Deposits			Branches						Branch Openings/Closings			Population								
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies			# of Branch Closings*	# of Branch Openings	Net Change in Location Of Branches (+ or -)			% of the Population Within Each Geography									
				Low	Mod	Upper			Low	Mod	Upper	Low	Mod	Upper							
PMSA 5600	88.14	247	65.87	24	35	57	131	11	1	-1	-3	-3	14.7	20	29.7	35.6					
PMSA 5380	07.52	61	16.26	0	10	41	10	10	0	0	-1	-7	1	15	67	17					
PMSA 5660	0.05	1	0.26	0	0	1	0						31	0	27	42					
PMSA 5640	1.52	21	5.6	0	0	9	12	2				-1	10.7	24.7	31.8	32.7					
PMSA 0875	0.92	14	3.73	1	0	7	6	1					4	19	52	25					
PMSA 3640	0.00	0											2	17	61	20					
PMSA 8040	0.70	10	2.67	1	2	3	4	1				-1	8	22	32.9	36.5					
PMSA 1160	0.89	15	4	1	2	8	4	1		-1			8.7	13.8	48.6	28.9					
PMSA 5480	00.07	1	0.26	0	1	0	0					-1	21.6	31.8	36.5	10.1					
PMSA 1930	00.20	5	1.33	0	2	2	1	1				-1	.4	18.8	60	20.8					

Full Review:

* The bank also sold 6 branches in the Connecticut portion of CMSA 5602 to Webster Bank in April 2000. Two branches were located in PMSA 5480 and 4 branches were in PMSA 8880, which is no longer in Chase's assessment area. Of the 4 branches sold in PMSA 8880, 1 was in a low-income tract. As a result of the sale, 136 of 415 census tracts in the Connecticut portion of CMSA 5602 were removed from the bank's assessment area.

Table 1. Lending Volume

Metropolitan Statistical Area/ Assessment Area		State: NEW YORK												% of Rated Area Deposits in MSA/AA**
		Home Mortgage				Small Loans to Businesses		Small Loans to Farms		Community Development Loans*		Total Reported Loans		
		#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	
Full Review:														
MSA 6840	44.87	2,370	224,370	2,855	175,348	0	0	0	6,325	5,240	406,043	51		
MSA 8160	26.03	1,095	81,992	1,936	117,270	0	0	8	844	3,039	200,106	21		
MSA 0160	8.12	477	40,417	471	53,318	0	0	0	0	948	93,735	9		
MSA 0960	4.57	349	23,987	185	7,971	0	0	0	0	534	31,958	6		
MSA 1280	13.59	1,085	83,642	499	48,834	0	0	3	892	1,587	133,368	6		
MSA 2335	0.82	76	4,585	18	1,775	0	0	1	925	95	7,285	4		
MSA 8680	2.00	182	10,396	52	3,111	0	0	0	0	234	13,507	3		

* Evaluation period for community development loans is April 1, 1999, to March 31, 2001.

** Deposit data as of June 30, 2000. Rated area refers to the state MSA rating area.

*** Loan data as of December 31, 2000. Rated area refers to the state MSA rating area.

Table 2. Geographic Distribution of Home Purchase Loans

Metropolitan Statistical Area/ Assessment Area		State: NEW YORK												Aggregate HMDA Lending (%) By Tract Income*		
		Total Home Purchase Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies						
		#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod			
Full Review:																
MSA 6840	1,705	41.77	3.25	1.52	9.42	9.79	54.09	49.74	33.25	38.94	2.21	8.51	52.31	36.97		
MSA 8160	839	20.55	1.57	1.55	9.55	10.01	58.10	56.02	30.79	32.42	1.29	8.58	51.55	38.58		
MSA 0160	292	7.15	1.35	4.11	10.21	15.07	56.60	50.34	31.84	30.48	1.10	9.11	54.68	35.11		
MSA 0960	188	4.61	0.46	0.00	11.97	8.51	58.27	71.28	29.31	20.21	0.69	11.57	56.71	31.03		
MSA 1280	845	20.70	3.79	1.30	12.87	10.18	50.84	53.14	32.50	35.38	2.03	9.47	46.88	41.63		
MSA 2335	65	1.59	0.49	0.00	6.43	1.54	67.64	73.85	25.44	24.62	0.49	6.39	61.48	31.64		
MSA 8680	148	3.63	0.30	0.00	9.97	3.38	56.09	66.89	33.64	29.73	0.27	8.79	53.61	37.34		

* Based on 1999 aggregate HMDA data.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans ("Refinancings")

Metropolitan Statistical Area/ Assessment Area		Geographic Distribution: HOME MORTGAGE REFINANCE												
		State: NEW YORK												
		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000												
#	% of Total**	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**	% 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
Full-Review:														
MSA 6840	664	42.81	3.25	3.61	9.42	7.23	54.09	54.82	33.25	34.34	4.03	8.15	51.96	35.86
MSA 8160	256	16.51	1.57	1.95	9.55	8.20	58.10	58.98	30.79	30.86	1.97	8.71	54.51	34.82
MSA 0160	185	11.93	1.35	1.62	10.21	12.97	56.60	57.30	31.84	28.11	1.40	9.34	55.59	33.67
MSA 0960	161	10.38	0.46	0.00	11.97	12.42	58.27	55.28	29.31	32.30	0.66	9.15	58.94	1.25
MSA 1280	240	15.47	3.79	6.25	12.87	16.67	50.84	45.00	32.50	32.08	5.00	12.18	46.59	36.22
MSA 2335	11	0.71	0.49	0.00	6.43	9.09	67.64	72.73	25.44	18.18	0.67	9.53	62.82	26.85
MSA 8680	34	2.19	0.30	0.00	9.97	11.76	56.09	44.12	33.64	44.12	0.26	7.98	52.99	38.78

* Based on 1999 aggregate HMDA data only. ** Refinancings originated and purchased in the MSA/AA as a percentage of all refinancings 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.

Table 6. Geographic Distribution of Small Loans to Businesses

Metropolitan Statistical Area/ Assessment Area		Geographic Distribution: SMALL LOANS TO BUSINESSES												
		State: NEW YORK												
		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000												
#	% of Total**	Total Small Business Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate Lending (%) By Tract Income*		
		% of Total**	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid
Full-Review:														
MSA 6840	2,855	47.46	6.87	9.18	11.37	12.85	49.26	49.07	29.77	28.90	9.22	10.64	48.64	31.50
MSA 8160	1,936	32.18	8.56	8.01	13.85	14.57	51.59	52.17	25.92	25.26	7.22	12.78	51.94	28.06
MSA 0160	471	7.83	9.07	9.34	13.22	11.04	50.12	46.28	27.59	33.33	6.14	11.65	53.39	28.82
MSA 0960	185	3.08	8.48	9.73	18.71	30.27	51.65	41.62	21.17	18.38	6.37	19.48	51.28	22.87
MSA 1280	499	8.29	5.68	9.62	14.67	19.84	45.02	37.68	33.84	32.87	5.73	14.13	42.92	37.22
MSA 2335	18	0.30	4.37	11.11	24.40	0.00	51.57	83.33	19.62	5.56	4.38	21.25	55.25	19.13
MSA 8680	52	0.86	4.26	5.77	19.07	9.62	48.03	57.69	27.48	26.92	4.77	16.72	46.20	32.31

* Based on 1999 aggregate small business data only.

*** Source: Dun and Bradstreet

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

Table 8. Borrower Distribution of Home Purchase Loans

Metropolitan Statistical Area/ Assessment Area		State: NEW YORK												
		Borrower Distribution: HOME PURCHASE												
		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000												
#	% of Total**	Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) ***				
		% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	Low	Mod	Mid	Upper	
Full-Review:														
MSA 6840	871	39.57	17.92	8.73	16.66	23.31	24.16	21.13	41.25	46.84	9.67	26.26	27.42	36.65
MSA 8160	489	22.22	17.76	9.82	17.81	28.02	24.22	25.15	40.20	37.01	6.40	21.92	28.36	43.32
MSA 0160	141	6.41	16.62	9.93	17.78	21.99	25.04	24.82	40.56	43.26	5.88	22.12	29.36	42.63
MSA 0960	103	4.68	17.61	14.56	19.02	22.33	23.88	33.98	39.49	29.13	10.25	26.29	25.67	37.78
MSA 1280	463	21.04	19.57	9.07	18.05	24.84	23.64	32.18	38.74	33.91	7.85	25.21	28.91	38.02
MSA 2335	39	1.77	18.75	23.08	18.82	12.82	23.45	23.08	38.98	41.03	8.00	24.67	28.29	39.05
MSA 8680	95	4.32	17.30	2.11	18.38	25.26	23.79	31.58	40.53	41.05	6.54	20.37	29.87	43.23

* Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
 ** As a percentage of loans with borrower income information available. No information was available for 46 percent of loans originated and purchased by the bank.
 *** Based on 1999 aggregate HMDA data only.
 **** Percentage of families is based on 1990 Census information.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans ("Refinancings")

Metropolitan Statistical Area/ Assessment Area		State: NEW YORK												
		Borrower Distribution: HOME MORTGAGE REFINANCE												
		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000												
#	% of Total**	Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) ***				
		% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	Low	Mod	Mid	Upper	
Full-Review:														
MSA 6840	280	40.82	17.92	7.14	16.66	17.50	24.16	24.29	41.25	51.07	7.89	20.50	28.67	42.94
MSA 8160	122	17.78	17.76	7.38	17.81	24.59	24.22	19.67	40.20	48.36	6.67	19.22	26.48	47.63
MSA 0160	82	11.95	16.62	12.20	17.78	21.95	25.04	26.83	40.56	39.02	6.41	17.09	27.56	48.94
MSA 0960	70	10.20	17.61	5.71	19.02	14.29	23.88	27.14	39.49	52.86	7.97	17.00	26.84	48.18
MSA 1280	109	15.89	19.57	11.01	18.05	14.68	23.64	21.10	38.74	53.21	9.04	20.09	27.82	43.06
MSA 2335	4	.58	18.75	25.00	18.82	0.00	23.45	0.00	38.98	75.00	8.93	19.20	27.03	44.33
MSA 8680	19	2.8	17.30	5.28	18.38	15.79	23.79	26.32	40.53	52.63	5.65	14.12	27.79	52.45

* Refinancings originated and purchased in the MSA/AA as a percentage of all refinancings originated and purchased in the rated area.
 ** As a percentage of loans with borrower income information available. No information was available for 56 percent of loans originated and purchased by the bank.
 *** Based on 1999 aggregate HMDA data only.
 **** Percentage of families is based on 1990 Census information.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: NEW YORK		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000		Aggregate Data ***	
Metropolitan Statistical Area/ Assessment Area	Total Small Loans To Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		All
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less	> \$100,000 to \$250,000	
Full-Review:							
MSA 6840	2,855	47.46	87.63	59.12	2,584	136	135
MSA 8160	1,936	32.18	86.97	49.28	1,752	82	102
MSA 0160	471	7.83	86.48	20.59	366	45	60
MSA 0960	185	3.08	87.08	47.57	174	9	2
MSA 1280	499	8.29	84.75	23.45	406	35	58
MSA 2335	18	.30	87.45	22.22	13	4	1
MSA 8680	52	.86	86.90	38.46	49	0	3

* Businesses with revenues of \$1 million or less as a percentage of all businesses. Source: Dun & Bradstreet, 1999.

** 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

*** 23 percent of small loans to businesses originated and purchased by the bank.

**** Based on 1999 aggregate small business data only.

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		State: NEW YORK		Evaluation Period: JANUARY 1, 1999, TO MARCH 31, 2001		Unfunded Commitments**	
Metropolitan Statistical Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		#
	#	\$ ('000s)	#	\$ ('000s)	#	% of Total \$s	
Full-Review:							
MSA 6840	8	7,277	68	1,051	76	8,604	46.77
MSA 8160	0	0	34	238	34	238	1.29
MSA 0160	1	20	50	712	51	732	3.98
MSA 0960	1	100	19	191	20	291	1.58
MSA 1280	0	0	38	1,684	38	1,713	9.31
MSA 2335	0	0	4	10	4	10	0.06
MSA 8680	0	0	0	0	0	0	0
STATEWIDE - NYS ASSESSMENT AREA	1	6,809	0	0	1	6,809	37.01

* "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 bank's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										State: NEW YORK						Evaluation Period: 1999-2000					
Metropolitan Statistical Area/ Assessment Area	Deposits			Branches						Branch Openings/Closings			Population								
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Branches in MSA/AA	Location of Branches by Income of Geographies			# of Branch Closings **	# of Branch Openings	Net Change in Location of Branches (+ or -)			% of the Population within Each Geography									
				Low	Mod	Upper			Low	Mid	Upper	Low	Mid	Upper							
MSA 6840	51	29	67	3	2	17	7	2	2	-1			8	12.5	50.9	28.6					
MSA 8160	21	14	33	1	2	6	5						7.5	14.3	52.1	26					
MSA 0160 *	9	1	2				1	1					4.2	15.2	53.1	27.6					
MSA 0960 *	6	1	2	1				11		-1	-5	-4	2.3	15.7	56.6	25.3					
MSA 1280 *	6	1	2		1			7		-2	-1	-2	8.7	16.6	46.8	28					
MSA 2335 *	4	1	2			1							4.4	12.7	61.7	21.2					
MSA 8680 *	3	1	2		1								2.3	19.8	50	27.9					

* Middle market branches.

** Branch consolidations. The other 18 branch closings in MSAs 0960 and 1280 were part of a sale to M&T in September 1999. Also as part of this sale, Chase sold 10 branches, 8 located in MSA 3610 and 2 in non-MSA Steuben County. Chase exited these two local markets. The bank also sold to M&T a middle market banking branch in Albany (in an upper-income tract).

Table 1. Lending Volume

LENDING VOLUME										State: TEXAS						Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000					
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA ***	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans*		Total Reported Loans		% of Rated Area Deposits in MSA/AA **									
		#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)								
		CMSA 1922	34.04	14,454	1,742,053	5,911	484,679	5	210	63	81,104	20,433	2,308,046	28							
CMSA 3362	37.50	13,601	1,510,916	8,871	760,554	4	520	36	91,909	22,512	2,363,899	51									
Limited-Review:																					
MSA 0640	12.17	5,595	725,416	1,698	121,990	0	0	12	10,085	7,305	857,491	6									
MSA 1240	1.21	327	11,561	391	35,420	5	1,350	2	2,025	725	50,356	4									
MSA 2320	5.90	2,185	143,432	1,344	125,409	2	100	8	13,072	3,539	282,013	6									
MSA 4880	1.66	518	15,982	479	27,131	1	460	2	1,450	1,000	45,023	2									
MSA 7240	7.52	3,384	323,571	1,120	108,369	4	900	5	2,410	4,513	435,250	3									

* The evaluation period for community development loans is April 1, 1999, to March 31, 2001.

** Deposit data as of June 30, 2000. Rated area refers to the state MSA rating area.

*** Loan data as of December 31, 2000. Rated area refers to the state MSA rating area.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		State: TEXAS												Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000					
Metropolitan Statistical Area/ Assessment Area	Total HP Loans		Low-income Geographies		Mid-income Geographies		Upper-income Geographies		Mid-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%)						
	#	% of Total**	% Owner-occupied Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	Low	Mod	Upper				
Full-Review:																			
CMSA 1922	11,133	36.73	3.86	1.26	18.52	9.87	38.08	33.81	39.54	55.06	1.48	9.95	34.16	54.42					
CMSA 3362	9,604	31.69	4.93	0.82	20.78	9.18	33.85	30.36	40.45	59.63	1.17	9.85	35.16	53.82					
Limited-Review:																			
MSA 0640	4,828	15.93	3.91	1.04	17.29	10.21	39.72	47.80	39.09	40.95	1.41	10.81	45.56	42.22					
MSA 1240	109	0.36	0.84	0.00	33.24	22.94	28.42	22.94	37.50	54.13	0.29	16.47	28.83	54.41					
MSA 2320	1,725	5.69	1.98	0.35	22.15	7.77	38.97	48.06	36.91	43.83	0.50	8.67	43.32	47.52					
MSA 4880	159	0.52	0.00	0.00	20.88	12.58	43.87	43.40	35.24	44.03	0.00	9.92	40.86	49.22					
MSA 7240	2,750	9.07	5.41	1.24	26.11	11.05	31.99	24.76	36.49	62.95	1.33	9.93	24.98	63.75					

* Based on 1999 aggregate HMDA data only.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: TEXAS												Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000					
Metropolitan Statistical Area/ Assessment Area	Total HI Loans		Low-income Geographies		Mid-income Geographies		Upper-income Geographies		Mid-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%)						
	#	% of Total**	% Owner-occupied Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	Low	Mod	Upper				
Full-Review:																			
CMSA 1922	1,312	29.77	3.86	2.82	18.52	18.29	38.08	35.67	39.54	43.22	2.10	11.09	31.37	55.43					
CMSA 3362	2,070	46.97	4.93	4.98	20.78	21.59	33.85	29.37	40.45	44.06	3.48	16.25	29.36	50.91					
Limited-Review:																			
MSA 0640	146	3.31	3.91	0.68	17.29	10.27	39.72	41.10	39.09	47.95	2.08	12.13	38.70	47.09					
MSA 1240	175	3.97	0.84	2.29	33.24	32.57	28.42	38.29	37.50	26.86	1.20	30.70	32.85	35.25					
MSA 2320	311	7.06	1.98	1.61	22.15	13.50	38.97	42.77	36.91	42.12	0.90	13.94	40.67	44.48					
MSA 4880	292	6.63	0.00	0.00	20.88	28.42	43.87	45.55	35.24	26.03	0.00	20.02	44.31	35.66					
MSA 7240	101	2.29	5.41	3.96	26.11	25.74	31.99	40.59	36.49	29.70	4.25	23.02	27.43	45.30					

* Based on 1999 aggregate HMDA data only.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans ("Refinancings")

Geographic Distribution: HOME MORTGAGE REFINANCE		State: TEXAS												Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000					
Metropolitan Statistical Area/ Assessment Area	Total Refinancings		Low-income Geographies			Mid-income Geographies			Upper-income Geographies			Aggregate HMDA Lending (%)							
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	% Owner-occ'd Units***	% Bank Loans	Low	Mid	Upper	Low	Mid	Upper			
Full-Review:																			
CMSA 1922	2006	37.58	3.86	1.10	18.52	7.23	38.08	32.95	39.54	58.72	1.86	10.52	33.73	53.89					
CMSA 3362	1921	35.99	4.93	0.94	20.78	9.42	33.85	29.57	40.45	60.07	2.42	13.47	33.61	50.50					
Limited-Review:																			
MSA 0640	621	11.63	3.91	0.48	17.29	9.66	39.72	34.78	39.09	55.07	2.01	12.41	41.27	44.31					
MSA 1240	43	0.81	0.84	0.00	33.24	13.95	28.42	27.91	37.50	58.14	0.09	15.93	25.77	58.20					
MSA 2320	149	2.79	1.98	0.67	22.15	11.41	38.97	34.23	36.91	53.69	0.57	12.77	37.21	49.45					
MSA 4880	67	1.26	0.00	0.00	20.88	14.93	43.87	37.31	35.24	47.76	0.00	12.07	34.14	53.79					
MSA 7240	531	9.95	5.41	0.75	26.11	7.16	31.99	28.81	36.49	63.28	1.99	14.15	27.05	56.82					

* Based on 1999 aggregate HMDA data only.

** Refinancings originated and purchased in the MSA/AA as a percentage of all refinancings originated and purchased in the rated area.

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: TEXAS												Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000					
Metropolitan Statistical Area/ Assessment Area	Total SB Loans		Low-income Geographies			Mid-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	Upper	Low	Mod	Upper			
Full-Review:																			
CMSA 1922	5,916	29.83	6.77	9.14	24.31	26.25	33.03	31.49	34.44	33.11	6.29	20.35	31.22	42.14					
CMSA 3362	8,875	44.74	6.29	5.86	25.12	24.87	31.40	30.23	36.92	39.04	4.55	21.81	31.91	41.73					
Limited-Review:																			
MSA 0640	1,698	8.56	5.45	4.65	19.34	14.84	36.59	40.93	38.47	39.58	3.44	15.56	35.47	45.53					
MSA 1240	396	2.00	1.20	1.01	39.44	31.82	27.08	21.72	32.29	45.45	0.89	29.06	26.56	43.50					
MSA 2320	1,346	6.79	9.95	12.04	24.27	27.41	33.76	26.75	32.02	33.80	7.40	20.34	32.86	39.39					
MSA 4880	480	2.42	0.00	0.00	18.25	23.96	37.92	33.13	43.83	42.92	0.00	15.23	33.66	51.12					
MSA 7240	1,124	5.67	5.33	4.89	21.91	17.44	37.22	40.75	35.52	36.92	3.78	17.72	34.12	44.38					

* Based on 1999 aggregate small business data only.

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

*** Source: Dun and Bradstreet.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: TEXAS												
		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000						Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000						
Metropolitan Statistical Area/ Assessment Area	Total HP Loans		Low-income Borrowers		Mid-income Borrowers		Upper-income Borrowers		Low		Mid		Upper	
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*
Full Review:														
CMSA 1922	8638	37.42	19.45	7.20	17.48	19.63	22.30	26.38	40.77	46.78	9.38	20.48	26.19	43.94
CMSA 3362	7781	33.71	22.18	5.90	16.50	16.84	20.35	23.06	40.97	54.21	9.30	20.94	23.61	46.14
Limited Review:														
MSA 0640	3401	14.73	19.79	5.35	16.94	18.88	22.36	23.20	40.91	52.57	7.08	21.65	27.37	43.89
MSA 1240	80	.35	24.92	0.00	16.16	20.00	16.38	33.75	42.54	46.25	2.58	11.25	21.39	64.78
MSA 2320	901	3.90	22.95	3.22	16.77	20.87	19.21	34.30	41.08	41.62	7.46	20.15	25.68	46.70
MSA 4880	115	.50	22.78	0.87	15.70	21.74	16.00	16.52	45.52	60.87	3.09	14.16	24.28	58.48
MSA 7240	2167	9.39	22.65	4.29	17.01	14.72	20.05	24.37	40.29	56.62	6.26	18.79	26.50	48.45

* Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
 ** Based on 1999 aggregate HMDA data only.
 *** As a percentage of loans with borrower income information available. No information was available for 24 percent of loans originated and purchased by the bank.
 **** Percentage of families is based on 1990 Census information.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: TEXAS												
		Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000						Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000						
Metropolitan Statistical Area/ Assessment Area	Total HI Loans		Low-income Borrowers		Mid-income Borrowers		Upper-income Borrowers		Low		Mid		Upper	
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*
Full Review:														
CMSA 1922	1304	29.98	19.45	16.33	17.48	20.09	22.30	21.47	40.77	42.10	8.14	13.03	20.72	58.11
CMSA 3362	2036	46.82	22.18	16.85	16.50	20.28	20.35	18.86	40.97	44.01	10.79	14.94	18.53	55.74
Limited Review:														
MSA 0640	146	3.36	19.79	6.85	16.94	16.44	22.36	21.23	40.91	55.48	5.77	15.28	21.98	56.97
MSA 1240	168	3.86	24.92	21.43	16.16	25.60	16.38	23.21	42.54	29.76	16.00	20.50	22.25	41.25
MSA 2320	306	7.04	22.95	10.78	16.77	16.99	19.21	16.34	41.08	55.88	10.30	14.56	19.80	55.34
MSA 4880	288	6.62	22.78	19.79	15.70	30.21	16.00	23.26	45.52	26.74	17.00	22.83	20.72	39.45
MSA 7240	101	2.32	22.65	24.75	17.01	23.76	20.05	19.80	40.29	31.68	12.65	16.56	21.52	49.27

* Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.
 ** Based on 1999 aggregate HMDA data only.
 *** As a percentage of loans with borrower income information available. No information was available for 1 percent of loans originated and purchased by the bank.
 **** Percentage of families is based on 1990 Census information.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans ("Refinancings")

Borrower Distribution: HOME MORTGAGE REFINANCE		State: TEXAS										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000			
Metropolitan Statistical Area/ Assessment Area	Total Refinancings		Low-income Borrowers		Mod-income Borrowers		Mid-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **				
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	Low	Mod	Mid	Upper
Full-Review:															
CMSA 1922	1,423	36.04	19.45	5.76	17.48	14.20	22.30	19.61	40.77	60.44	8.59	16.53	22.67	52.21	
CMSA 3362	1,483	37.56	22.18	4.25	16.50	13.96	20.35	18.81	40.97	62.98	9.03	17.66	21.85	51.46	
Limited Review:															
MSA 0640	502	12.72	19.79	4.78	16.94	11.35	22.36	18.33	40.91	65.54	6.67	17.89	23.89	51.55	
MSA 1240	41	1.04	24.92	0.00	16.16	7.32	16.38	26.83	42.54	65.85	3.25	8.99	22.10	65.67	
MSA 2320	92	2.33	22.95	1.09	16.77	10.87	19.21	21.74	41.08	66.30	6.79	16.04	19.96	57.22	
MSA 4880	61	1.55	22.78	0.00	15.70	11.48	16.00	24.59	45.52	88.52	2.89	10.25	19.00	67.86	
MSA 7240	346	8.76	22.65	4.05	17.01	11.56	20.05	18.79	40.29	65.61	8.92	16.25	21.83	53.00	

* Refinancings originated and purchased in the MSA/AA as a percentage of all refinancings originated and purchased in the rated area.

** Based on 1999 aggregate HMDA data only.

*** As a percentage of loans with borrower income information available. No information was available for 26 percent of loans originated and purchased by the bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: TEXAS										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000			
Metropolitan Statistical Area/ Assessment Area	Total Small Loans To Businesses		Businesses with Revenues of \$1 Million or less		Businesses with Revenues of \$100,000 or Less		Loans by Original Amount Regardless of Business Size		Aggregate Data***						
	#	% of Total****	% of Businesses*	% Bank Loans**	% of Businesses*	% Bank Loans**	> \$250,000 to \$1 Mil	> \$100,000 to \$250,000	> \$250,000 to \$1 Mil	All	Revenues \$1 Mil or less				
Full-Review:															
CMSA 1922	5,916	29.83	85.76	32.22	5,235	323	358	50,720	28,900						
CMSA 3362	8,875	44.74	85.63	45.58	7,700	613	562	53,298	31,348						
Limited Review:															
MSA 0640	1,698	8.56	87.74	30.45	1,513	95	90	12,124	6,652						
MSA 1240	396	2.00	87.63	44.70	316	50	30	2,361	1,289						
MSA 2320	1,346	6.79	88.14	50.52	1,096	144	106	4,473	2,284						
MSA 4880	480	2.42	87.57	48.33	436	27	17	4,124	2,162						
MSA 7240	1,124	5.67	88.55	28.83	937	91	96	13,993	7,467						

* Businesses with revenues of \$1 million or less as a percentage of all businesses. Source: Dun & Bradstreet 1999.

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

*** Based on 1999 aggregate small business data.

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		State: TEXAS		Evaluation Period: JANUARY 1, 1999, TO MARCH 31, 2001					
Metropolitan Statistical Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	% of Total \$	#	\$ ('000s)
Full-Review:									
CMSA 1922	5	2.50	38	13,487	43	21,137	29.06	1	1,111
CMSA 3362	0	0	36	627	36	616	0.85	0	0
Statewide	0	0	54	50,234	54	50,234	69.06	2	5,496
Limited-Review:									
MSA 0640	0	0	6	233	6	233	0.32	0	0
MSA 1240	0	0	1	300	1	300	0.41	0	0
MSA 2320	0	0	13	116	13	116	0.16	0	0
MSA 4880	0	0	1	4	1	4	0.00	0	0
MSA 7240	0	0	10	95	10	95	0.13	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 bank's financial reporting system.

*** Statewide investments include 26 regional investments whose totals are proportioned between the NY, NJ and CT portions of CMSA 5602 and Texas.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										State: TEXAS					Evaluation Period: 1999-2000				
Metropolitan Statistical Area/ Assessment Area	Deposits				Branches				Branch Openings/Closings					Population					
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	# of Branches by Location of Branches by	# of Branch Closings	# of Branch Openings	Net Change in Location of			% of the Population									
							Low	Mid	Upper	Low	Mid	Upper	Low	Mid	Upper				
Full-Review:																			
CMSA 1922	28	37	31	3	7	7	7	20			37	+3	+7	+7	+20	7.4	23.9	37.3	31.4
CMSA 3362	51	50	42	2	11	14	23			50	+2	+11	+14	+23	8.0	26.7	33.5	31.7	
Limited-Review:																			
MSA 0640	6	16	13	0	2	7	7			16	0	+2	+7	+7	+7	7.5	25.8	36.7	30.0
MSA 1240	4	2	2	0	1	0	1			2	0	+1	0	+1	+1	1.8	40.3	28.8	29.1
MSA 2320	6	8	7	1	1	3	3			8	+1	+1	+3	+3	+3	5.7	28.1	37.1	29.1
MSA 4880	2	2	2	0	1	0	1			2	0	+1	0	+1	+1	0.0	24.5	42.7	32.8
MSA 7240	3	4	3	0	1	1	2			4	0	+1	+1	+2	+2	7.9	29.2	33.6	29.3

Note: These branches were acquired from Chase Bank of Texas, NA.

Table 1. Lending Volume*

LENDING VOLUME		State: U.S. VIRGIN ISLANDS										Evaluation Period: JANUARY 1, 1999, TO DECEMBER 31, 2000	
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA****	Home Mortgage Loans		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MSA/AA****	
		#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)		
Full-Review:													
ST. THOMAS	64.94	235	31,737	73	12,435	0	0	5	12,160	308	56,332	66.45	
ST. CROIX	23.44	97	10,791	15	813	0	0	1	2,500	113	14,104	24.97	
ST. JOHN	11.62	51	11,657	5	227	0	0	0	0	56	11,884	8.58	

- * Chase did not report its HMDA-related activity by HMDA product type. Regulation C does not require the reporting of the bank's HMDA-related activity in the USVI. Small business volume is also reflected only on this core table, based on the small volume of such lending.
- ** The evaluation period for community development loans is April 1, 1999, to March 31, 2001.
- *** Deposit data as of June 30, 19xx. Rated area refers to the state MSA rating area.
- **** Loan data as of December 31, 2000. Rated area refers to the state MSA rating area.

Table 2. Geographic Distribution of HMDA-related Loans

Geographic Distribution: HMDA-related Loans		State: U.S. VIRGIN ISLANDS										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000		
Metropolitan Statistical Area/ Assessment Area	Total HMDA-related 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	Mid	Upper	
Full-Review:														
ST. THOMAS	235	61.36	0	0	4.38	2.55	53.09	34.04	42.54	63.40	N/A	N/A	N/A	
ST. CROIX	97	25.32	.94	5.15	27.55	22.68	27.47	18.56	44.05	53.61	N/A	N/A	N/A	
ST. JOHN	51	13.32	0	0	0	0	31.79	39.22	68.21	60.78	N/A	N/A	N/A	

- * Aggregate HMDA data unavailable.
- ** HMDA-related loans originated and purchased in the MSA/AA as a percentage of all HMDA-related 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 8. Borrower Distribution of HMDA-related Loans

Borrower Distribution: HMDA-RELATED LOANS		State: U.S. VIRGIN ISLANDS										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000			
Metropolitan Statistical Area/Assessment Area	Total HMDA-related Loans		Low-income Borrowers		Mid-income Borrowers		Upper-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	
ST. THOMAS	228	61.29	18.94	2.19	15.80	7.02	18.99	17.54	46.27	73.25	N/A	N/A	N/A	N/A	
ST. CROIX	94	25.27	30.12	1.06	16.56	6.38	16.78	15.96	36.54	76.60	N/A	N/A	N/A	N/A	
ST. JOHN	50	13.44	11.98	0	15.10	4.0	19.14	10.00	53.78	86.00	N/A	N/A	N/A	N/A	

* HMDA-related loans originated and purchased in the MSA/AA as a percentage of all HMDA-related loans originated and purchased in the rated area.
 ** Based on 1999 aggregate HMDA data only.
 *** Percentage of families is based on 1990 Census information.
 **** As a percentage of loans with borrower income information available. No information was available for 3% of loans originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		State: U.S. VIRGIN ISLANDS				Evaluation Period: JANUARY 1, 1999, TO MARCH 31, 2001			
Metropolitan Statistical Area/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	
Full-Review:									
ST. THOMAS	0	0	16	17	17	17.17			
ST. CROIX	1	25	19	32	57	57.58			
ST. JOHN	0	0	3	3	3	3.03			
ISLANDWIDE	0	0	3	22	22	22.22			
OUTSIDE ASSESSMENT AREA	1	635	0	0	1	635	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 bank's financial reporting system.

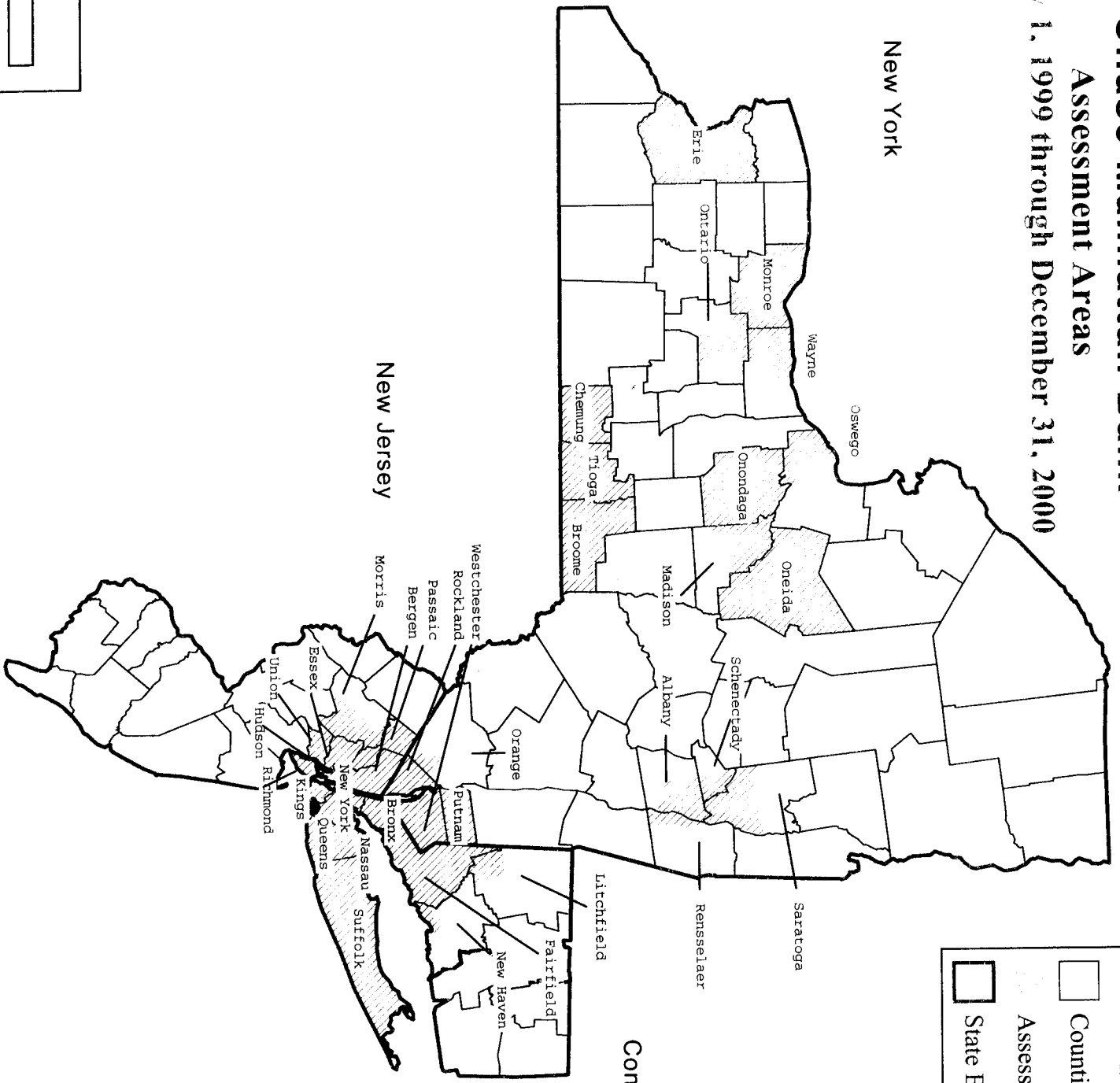
Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										State: U.S. VIRGIN ISLANDS				Evaluation Period: 1999-2000			
Metropolitan Statistical Area/Assessment Area	Deposits				Branches				Branch Openings/Closings				Population				
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA		# of Bank Branches	Location of Branches by Income of Geographies		# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)			% of the Population Within Each Geography				
			Low	Mod		Upper	Low			Mod	Upper	Low	Mod	Upper			
ST. THOMAS	66.45	4	57	1	2	1							0	10	61	29	
ST. CROIX	24.97	2	29	1	1									5	43	30	
ST. JOHN	8.58	1	14		1									0	0	30	70

The Chase Manhattan Bank

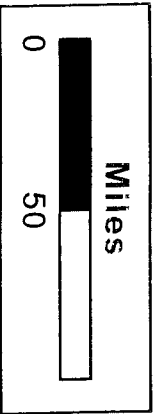
Assessment Areas

January 1, 1999 through December 31, 2000



Legend

- Counties
- Assessment Area
- State Boundaries



The Chase Manhattan Bank

Assessment Areas

January 1, 1999 through December 31, 2000

