NEW YORK STATE BANKING DEPARTMENT

CONSUMER SERVICES DIVISION

2 Rector Street
New York, NY 10006

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: December 31, 2001

Institution: Bank of Tokyo-Mitsubishi Trust Company
1251 Avenue of the Americas, 14th Floor
New York, NY 10020-1104

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

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Bank of Tokyo-Mitsubishi Trust Company ("BTMT") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2001.

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

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

(1) outstanding record of meeting community credit needs;

(2) satisfactory record of meeting community credit needs;

(3) needs to improve record of meeting community credit needs; and

(4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public ("Evaluation"). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall Rating

Bank of Tokyo-Mitsubishi Trust Company is rated "1", indicating an outstanding record of helping to meet community credit needs. This rating is based on the following factors:

- BTMT's volume of community development loans and qualified investments continues to be exceptional. As of December 31, 2001, the bank's assessment area-based activity totaled $55.1 million, of which $ 27.4 million was outstanding. Notwithstanding a 12.7% decrease in community development activity since the prior evaluation (during which time assets increased by 7.3%), this represents a very high level of commitment for a bank of BTMT's size and capacity.

- Community development loan commitments made since the prior evaluation totaled $51.0 million, of which $11.2 million represented "new money" extended by the bank.

- The bank's qualified investments totaled $4.1 million, comprised primarily of securities, certificates of deposit in community development financial institutions and grants. While the dollar volume of investments has declined since the prior evaluation, the bank's foundation continues to provide an excellent volume of grants to community development organizations.

- While not considered innovative or complex, BTMT's extensive community development activity within its assessment area demonstrates an excellent level of responsiveness by the bank to local community needs. The bank's strong commitment to communities is further demonstrated by its receipt and utilization of the proceeds from two U.S. Treasury Bank Enterprise Act awards.

- BTMT supplements its financial relationships by providing a few community development services in its community.

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

PERFORMANCE CONTEXT

Institution's Profile:

Chartered in 1996, Bank of Tokyo-Mitsubishi Trust Company ("BTMT") was formed as a result of a merger between The Bank of Tokyo Trust Company and Mitsubishi Bank and Trust Company of New York. BTMT is a FDIC-insured commercial bank and a wholly owned subsidiary of The Bank of Tokyo-Mitsubishi Ltd. ("BTM"), a multinational banking corporation headquartered in Tokyo, Japan. As of March 31, 2001, BTM reported total assets of $608.4 billion.

On December 31, 2001, BTMT reported total assets of $4.3 billion, of which $3.1 billion (72%) represented net loans and $386.5 million (9%) were investments. On the same date total deposits were $2.8 billion, of which $1.5 billion (53.6%) were domestic deposits. The bank's core deposits totaled $1.3 billion for the same period. As of June 30, 2001, the bank had a 0.55% deposit market share and was ranked 17 out of 92 institutions with deposits in New York County.

The bank is not in the business of originating or purchasing residential mortgage, housing rehabilitation, home improvement, small business or small farm loans to retail customers, except as an accommodation to its existing clients. Accordingly, on December 5, 1996, the FDIC granted the bank designation as a wholesale institution for purposes of its evaluation under the CRA.

The bank's principal office is located at 1251 Avenue of Americas, in Manhattan. On July 28, 2000, BTMT closed its branch office located at 360 Madison Avenue, also in Manhattan.

Mitsubishi Tokyo Financial Group, Inc ("MTFGI") is a holding company established on April 2, 2001, to oversee the operations of the Bank of Tokyo-Mitsubishi, Ltd. ("BTM"), the Mitsubishi Trust and Banking Corporation ("MTBC"), Nippon Trust Ltd. ("NTB"), and its subsidiaries. As of March 31, 2001, MTFGI reported total assets of $744.7 billion.

Assessment Area:

BTMT's assessment area includes the five boroughs of New York City in their entirety.
This area consists of 2,216 census tracts, of which 733 (33.1%) are considered to be low- to moderate-income ("LMI"), 1,417 (63.9%) are considered middle- and upper- income and 66 (3%) are considered zero income tracts (commercial in nature). The five boroughs are part of the primary metropolitan New York statistical area (PMSA) 5600.

County Demographics:

Kings County (Brooklyn) has 789 census tracts including 114 low-income tracts (14.5%), 207 moderate (26.2%), 302 middle (38.3%) and 147 upper income tracts (18.6%). There are

also 19 no income tracts (2.4%).

According to the U.S. Census Bureau, Kings County had a population of 2.3 million in 1990 and it increased by 164.7 thousand (7.2%) to 2.5 million in 2000.

In 1990, there were 563.3 thousand families in the county of which 50.0% (281.6 thousand) were LMI families, including 19.5% (109.8 thousand) whose income was below the poverty level. Nineteen percent (106.8 thousand) were middle and 31.0% (174.9 thousand) were upper income families. There were 827.7 thousand households in the county of which 21.5% (178.1 thousand) had income below the poverty level.

Sixty-two point three percent (175.4 thousand) of the LMI families lived in LMI census tracts and these families accounted for 65.9% of all the families (266.1 thousand) that lived in LMI census tracts.

There were 873.7 thousand housing units in Kings County, 46.3% (404.7 thousand) of which were 1 to 4 family units and 52.2% (455.7 thousand) were multi-family units. Only 24.7% (215.8 thousand) of the housing units was owner occupied and 70.1% (612.4 thousand) was rent occupied. Five point six percent (48.9 thousand) of all housing units were vacant or boarded up. The median housing value was $181.4 thousand and the median age of the housing was 44 years.

The 1990, median family income for the county was $30.0 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $53.4 thousand in 1999 and $56.2 thousand in 2000.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that the largest sources of earnings in 1999 in the county were services 39.9%, finance, insurance and real estate 11.9% and the retail trade 8.4%. In 1989, the major sources of earning were services 35.8%, the retail trade 10.0% and non-durable goods manufacturing 8.9%.

According to a Dun and Bradstreet survey in 2000 there were 59.4 thousand businesses in Kings County of which 49.9 thousand (84.0%) had revenues of $1.0 million or less. Five point one thousand (8.6%) had revenues of more than $1.0 million and 4.4 thousand (7.4%) were businesses on which no revenues were reported. Twenty-three point seven thousand (39.9%) of the businesses were located in LMI census tracts. Ninety-one point five percent (54.4 thousand) of all businesses in the county had fewer than 50 employees and 88.9% (52.9 thousand) operated from a single location.

Forty one percent (24.4 thousand) of all firms were service providers, 25.9% (25.4 thousand) were in the retail trade, 8.0% (4.7 thousand) in the wholesale trade, 7.7% (4.6 thousand) in finance, insurance and real estate, 6.4% (3.8 thousand) in construction and 5.7% (3.4 thousand) in manufacturing.

According to the New York State Department of Labor, the county's average unemployment rates were 7.9% in 1999 and 6.8% in 2000. The county's average unemployment rates were above both the state's average rates of 5.2% in 1999 and 4.6% in 2000 and the MSA's average rates of 6.2% in 1999 and 5.3% in 2000.

Portions of Kings County are designated as Economic Development Zones (EDZ) by the State of New York, based on community economic distress. The Brooklyn Navy Yard, Sunset Park and Red Hook neighborhoods are designated EDZs. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

Queens County has 673 census tracts including 7 low-income tracts (1.0%), 80 moderate (11.9%), 331 middle (49.2%) and 238 upper income tracts (35.4%). There are also 17 no income tracts (2.5%).

According to the U.S. Census Bureau, Queens County had a population of 1.9 million in 1990 and it increased by 277.8 thousand (14.2%) to 2.2 million in 2000.

In 1990, there were 495.6 thousand families in the county of which 34.6% (171.7 thousand) were LMI families, including 8.3% (41.1 thousand) whose income was below the poverty level. Twenty-one point seven percent (107.5 thousand) were middle and 43.7% (216.4 thousand) were upper income families. There were 718.4 thousand households in the county of which 10.8% (77.9 thousand) had income below the poverty level.

Twenty-four point four percent (41.8 thousand) of the LMI families lived in LMI census tracts and these families accounted for 57.9% of all the families (72.3 thousand) that lived in LMI census tracts.

There were 752.7 thousand housing units in Queens County, 56.6% (426.3 thousand) of which were 1 to 4 family units and 41.4% (311.8 thousand) were multi-family units. Forty point seven percent (306.1 thousand) of all housing units were owner occupied and 55.0% (414.0 thousand) was rent occupied. Four point five percent (34.0 thousand) of all the housing units were vacant or boarded up. The median housing value was $198.1 thousand and the median age of the housing was 41 years.

The 1990, median family income for the county was $40.4 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $53.4 thousand in 1999 and $56.2 thousand in 2000.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that the largest sources of earnings in 1999 in the county were services 31.2%, transportation and public utilities 18.0% and construction 10.8%. In 1989, the major sources of earning were services 26.5%, transportation and public utilities18.4% and construction 11.1%.

According to a Dun and Bradstreet survey in 2000 there were 55.1 thousand businesses in Queens County of which 45.5 thousand (82.6%) had revenues of $1.0 million or less. Five point three thousand (9.6%) had revenues of more then $1.0 million and 4.3 thousand (7.8%) were businesses on which no revenues were reported. Eight point nine thousand (16.2%) of the businesses were located in LMI census tracts. Ninety-one percent (50.1 thousand) of all businesses in the county had fewer than 50 employees and 87.7% (48.4 thousand) operated from a single location.

Thirty-nine point one percent (21.6 thousand) of all firms were service providers, 23.8% (13.1 thousand) were in the retail trade, 9.0% (4.9 thousand) in finance, insurance and real estate, 8.4% (4.6 thousand) in construction, 7.2% (4.0 thousand) in the wholesale trade and 6.9% (3.8 thousand) in transportation and communications.

According to the New York State Department of Labor, the county's average unemployment rates were 5.9% in 1999 and 4.8% in 2000. The county's average unemployment rates were above the state's average rates 5.2% in 1999 and 4.6% in 2000 but were below the MSA's average rates of 6.2% in 1999 and 5.3% in 2000.

Portions of Queens County are designated as Economic Development Zones (EDZ) by the State of New York, based on community economic distress. The Far Rockaway and South Jamaica neighborhoods are designated EDZs. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

New York County (Manhattan) has 298 census tracts including 63 low-income tracts (21.1%), 65 moderate (21.8%), 33 middle (11.1%) and 126 upper income tracts (42.3%). There are also 11 no income tracts (3.7%).

According to the U.S. Census Bureau, New York County had a population of 1.49 million in 1990 and it increased by 49.7 thousand (3.3%) to 1.54 million in 2000.

In 1990, there were 305.4 thousand families in the county of which 42.6% (130.2 thousand) were LMI families, including 17.4% (53.1 thousand) whose income was below the poverty level. Fourteen point four percent (43.8 thousand) were middle and 43.0% (131.3 thousand) were upper income families. There were 716.8 thousand households in the county of which 16.8% (120.1 thousand) had income below the poverty level.

Seventy-six point five percent (99.6 thousand) of the LMI families lived in LMI census tracts and these families accounted for 68.3% of all the families (145.8 thousand) that lived in LMI census tracts.

There were 785.1 thousand housing units in New York County, 2.9% (22.6 thousand) of which were 1 to 4 family units and 95.7% (751.4 thousand) were multi-family units. Sixteen point three percent (128.0 thousand) of all housing units were owner occupied and 75.0% (588.4

thousand) were rental occupied. Nine point one percent (71.2 thousand) of all the units were vacant or boarded up. The median housing value was $212.4 thousand and the median age of the housing was 41 years.

The 1990, median family income for the county was $36.8 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $53.4thousand in 1999 and $56.2 thousand in 2000.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that the largest sources of earnings in 1999 in the county were finance, insurance and real estate 37.3%, services 31.5% and state and local government 10.0%. In 1989, the major sources of earning were services 33.6% finance insurance and real estate 25.1% and state and local government 13.7%.

According to a Dun and Bradstreet survey in 2000 there were 138.7 thousand businesses in New York County of which 108.7 thousand (78.3%) had revenues of $1.0 million or less. Twenty-three point four thousand (16.9%) had revenues of more then $1.0 million and 6.7 thousand (4.9%) were businesses on which no revenues were reported. Thirty point eight thousand (22.2%) of the businesses were located in LMI census tracts. Eighty-nine point two percent (123.8 thousand) of all businesses in the county had fewer than 50 employees and 78.6% (109.0 thousand) operated from a single location.

Forty-six point two percent (64.1 thousand) of all firms were service providers, 16.4% (22.8 thousand) were in the retail trade, 14.1% (19.5 thousand) in finance, insurance and real estate, 10.0% (13.9 thousand) in the wholesale trade, 7.1% (9.9 thousand) in manufacturing and 3.5% (4.8 thousand) in transportation and communications.

According to the New York State Department of Labor, the county's average unemployment rates were 5.7% in 1999 and 4.9% in 2000. The county's average unemployment rates were above the state's average rates of 5.2% in 1999 and 4.6% in 2000 but were below the MSA's average rates of 6.2% in 1999 and 5.3% in 2000

A portion of New York County is designated an Economic Development Zone (EDZ) by the State of New York, based on community economic distress. East Harlem is designated an EDZ. Firms located in this area may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

A portion of the New York County (Harlem) shares a designated Federal Empowerment Zone (FEZ) with the South Bronx. This area receives financial and technical support from a multiple of federal agencies, including HUD, USDA, HHS, Treasury, Labor and Justice as well as from the state and local governments. The program's purposes is to increase the employment opportunities of the residences through job training and economic development, to create new jobs and retain current jobs as well as programs for affordable housing, education and childcare. Various federal tax benefits and other assistance are available to businesses that

open or employ residents in a FEZ.

Bronx County has 355 census tracts including 126 low-income tracts (35.5%), 65 moderate (18.3%), 88 middle (24.8%) and 61 upper income tracts (17.2%). There are also 15 no income tracts (4.2%).

According to the U.S. Census Bureau, the Bronx had a population of 1.2 million in 1990 and it increased by 128.9 thousand (10.7%) to 1.3 million in 2000.

In 1990, there were 292.0 thousand families in the county of which 56.7% (165.5 thousand) were LMI families, including 25.7% (75.0 thousand) whose income was below the poverty level. Seventeen point nine percent (52.2 thousand) were middle and 25.4% (74.3 thousand) were upper income families. There were 423.2 thousand households in the county of which 26.9% (114.0 thousand) had income below the poverty level.

Seventy-seven point two percent (127.7 thousand) of the LMI families lived in LMI census tracts and these families accounted for 72.2% of all the families (177.0 thousand) that lived in LMI census tracts.

There were 441.0 thousand housing units in the Bronx, 23.4% (103.1 thousand) of which were 1 to 4 family units and 74.7% (329.2 thousand) were multi-family units. Seventeen point two percent (75.8 thousand) of the housing units were owner occupied and 79.0% (348.3 thousand) were rental occupied. Four percent (17.5 thousand) of all the housing units were vacant or boarded up. The median housing value was $130.8 thousand and the median age of the housing was 38 years.

The 1990, median family income for the county was $25.5 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $53.4 thousand in 1999 and $56.2 thousand in 2000.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that the largest sources of earnings in 1999 in the county were services 47.8%, state and local government 7.7% and the retail trade 7.5%. In 1989, the major sources of earning were services 40.3%; construction 9.8% and the retail trade 8.9%.

According to a Dun and Bradstreet survey in 2000 there were 21.9 thousand businesses in the Bronx of which 18.4 thousand (84.2%) had revenues of $1.0 million or less. One point eight thousand (8.3%) had revenues of more then $1.0 million and 1.6 thousand (7.5%) were businesses on which no revenues were reported. Eleven point six thousand (52.8%) of the businesses were located in LMI census tracts. Eighty-nine point five percent (19.6 thousand) of all businesses in the county had fewer than 50 employees and 86.6% (19.0 thousand) operated from a single location.
Forty one point eight percent (9.2 thousand) of all firms were service providers, 28.2% (6.2 thousand) were in the retail trade, 8.9% (2.0 thousand) in finance, insurance and real estate, 6.2% (1.4 thousand) in construction, 5.8% (1.3 thousand) in the wholesale trade and 4.5% (1.0

thousand) in transportation and communications.

According to the New York State Department of Labor, the county's average unemployment rates were 8.1% in 1999 and 7.3% in 2000. The county's average unemployment rates were above both the state's average rates 5.2% in 1999 and 4.6% in 2000 and the MSA's average rates of 6.2% in 1999 and 5.3% in 2000.

Portions of the Bronx are designated as Economic Development Zones (EDZ) by the State of New York, based on community economic distress. The Hunts Point and Port Morris neighborhoods are designated EDZs. Firms located in these areas may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

A portion of the South Bronx shares a designated Federal Empowerment Zone (FEZ) with Harlem (part of New York County). This area receives financial and technical support from a multiple of federal agencies, including HUD, USDA, HHS, Treasury, Labor and Justice as well as from the state and local governments. The program's purposes is to increase the employment opportunities of the residences through job training and economic development, to create new jobs and retain current jobs as well as programs for affordable housing, education and childcare. Various federal tax benefits and other assistance are available to businesses that open or employ residents in a FEZ.

Richmond County (Staten Island) has 101 census tracts including 4 low-income tracts (4.0%), 2 moderate (2.0%), 25 middle (24.8%) and 66 upper income tracts (65.3%). There are also 4 no income tracts (4.0%).

According to the U.S. Census Bureau, Richmond County had a population of 379.0 thousand in 1990 and it increased by 64.8 thousand (17.1%) to 443.7 thousand in 2000.

In 1990, there were 99.5 thousand families in the county of which 23.9% (23.7 thousand) were LMI families, including 6.3% (6.3 thousand) whose income was below the poverty level. Eighteen point five percent (18.4 thousand) were middle and 57.6% (57.3 thousand) were upper income families. There were 130.2 households in the county of which 8.4% (10.9 thousand) had income below the poverty level.

Sixteen point one percent (3.8 thousand) of the LMI families live in LMI census tracts and these families accounted for 68.0% of all the families (5.6 thousand) that lived in LMI census tracts.

There were 139.7 thousand housing units in Richmond County, 82.6% (115.5 thousand) of which were 1 to 4 family units and 14.9% (20.9 thousand) were multi-family units. Fifty-nine point five percent (83.1 thousand) of the housing units were owner occupied and 33.9% (47.4 thousand) were rental occupied. Six point nine percent (9.6 thousand) of the units were vacant or boarded up. The median housing value was $183.4 thousand and the median age of the housing was 28 years.

In 1990, the median family income for the county was $50.7 thousand and the median family income for the MSA was $37.5 thousand. HUD's estimated median family income for the MSA was $53.4 thousand in 1999 and $56.2 thousand in 2000.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that the largest sources of earnings in 1999 in the county were service 44.3%, transportation and public utilities 12.0% and the retail trade 10.7%. In 1989, the major sources of earnings were services 42.3%, the retail trade 12.2% and construction 10.0%.

According to a Dun and Bradstreet survey in 2000 there were 11.5 thousand businesses in Richmond County of which 9.6 thousand (84.0%) had revenues of $1.0 million or less. Eight hundred (7.1%) had revenues of more then $1.0 million and one thousand (9.0%) were businesses on which no revenues were reported. Four hundred (3.8%) of the businesses were located in LMI census tracts. Ninety-one point nine percent (10.5 thousand) of all businesses in the county had fewer than 50 employees and 88.2% (10.1 thousand) operated from a single location.

Forty-three point three percent (5.0 thousand) of all firms were service providers, 22.3% (2.6 thousand) were in the retail trade, 12.1% (1.4 thousand) in construction, 7.6% (nine hundred) in finance, insurance and real estate, 5.1% (six hundred) in the wholesale trade and 4.8% (five hundred) in transportation and communications.

According to the New York Department of Labor, the county's average unemployment rates were 4.3% in 1999 and 4.8% in 2000. The county's average unemployment rate was below the state's average rate of 5.2% in 1999 but above the state's average rate of 4.6% in 2000 and it was below the MSA's average rates of 6.2% in 1999 and 5.3% in 2000.

A portion of Richmond County is designated an Economic Development Zone (EDZ) by the State of New York, based on community economic distress. The North Shore neighborhood is designated an EDZ. Firms located in this area may be eligible for assistance including various tax credits, such as wage tax credits, investment tax credits, zone capital credits, sales tax refunds, real property tax abatements, technical assistance and utility rate savings.

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

PERFORMANCE TEST AND ASSESSMENT FACTORS

I. Community Development Test

BTMT's volume of community development loans and qualified investments continues to be exceptional. As of December 31, 2001, the bank's assessment area-based activity totaled $55.1 million, of which $27.4 million was outstanding. Notwithstanding an $8.0 million (12.7%) decrease in community development activity since the prior evaluation (during which time assets increased by 7.3%), the bank continues to demonstrate a strong financial commitment to its community.

Community development loan commitments totaled $51.0 million. Of the 11 community development facilities extended during this period, four facilities for $11.2 million (22.0%) represented new relationships for the institution.

As of December 31, 2001, BTMT's qualified investments totaled $4.1 million, with $3.1 million outstanding. While the dollar volume of qualified investments decreased since the last evaluation, the bank continues to have an excellent volume of community development grants totaling more than $900 thousand. Additionally, the bank made $146.2 thousand in grants to support World Trade Center-related relief efforts.

BTMT participates in community development initiatives primarily by working with intermediaries that serve its assessment area. While not considered innovative or complex, the bank's extensive activities demonstrate an excellent level of responsiveness to local community needs. The bank's strong commitment to its community is further demonstrated by its receipt and utilization of the proceeds from two U.S. Treasury Bank Enterprise Act awards. With use of the proceeds from these awards, the bank was able to make community development loans and deposits available at below-market rates and in most cases below cost.

The chart on page 4-9 illustrates the bank's total community development portfolio of loans and investments within its assessment area.

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

- **Community Development Lending**

As of December 31, 2001, BTMT had assessment area-based community development loans and commitments totaling $51.0 million, with $24.3 million outstanding. These figures include 11 new community development loans and commitments extended since the prior evaluation. Seven loans were for affordable housing purposes and four loans in support of economic development initiatives.

The following is a brief description of the community development loans extended since the

prior evaluation in June 1999:

Community Preservation Corporation ("CPC")– The bank continues to provide $2.6 million, with $746 thousand outstanding, to promote affordable housing activities. CPC is a lending consortium that makes construction and permanent loans for the creation, rehabilitation and preservation of affordable housing throughout New York State. CPC's bank sponsors provide secured financing, under revolving bank lines of credit, for housing construction and rehabilitation, as well as permanent financing through purchases of collateral trust notes backed by CPC mortgages.

Neighborhood Housing Services of New York ("NHS") - The bank committed a total of $88 thousand to NHS as part of CASH, a program that provides downpayment and closing cost assistance to first-time low- and moderate-income borrowers in connection with the purchase of a 1-4 family residence. The bank has a $40 thousand commitment to the CASH II program under a facility that matures in May 2006. The bank also has a $48 thousand commitment in CASH III under a facility that matures in June 2009. NHS is a not-for-profit intermediary that creates and preserves affordable housing, and promotes increased investment in underserved and declining New York City neighborhoods through a broad range of lending, development/rehabilitation, and home buyer education and counseling initiatives.

New York Business Development Corporation ("NYBDC") – In August 2001, the bank extended a $200 thousand line of credit to NYBDC that will mature on August 2002. As of the evaluation date, $20 thousand was outstanding. The NYBDC is a privately entity created by New York State statute and funded by commercial and savings banks under lines of credit–typically at a LIBOR based rate–that are utilized to provide a broad range of financing to small and mid-sized businesses located in New York State.

Corporation for Supportive Housing ("CSH")- In June 1999, the bank provided a $129 thousand term loan to CSH, with the entire amount outstanding as of the evaluation date. The Corporation is a national organization that provides financing and technical assistance to nonprofit organizations engaged in providing special needs housing for homeless and mentally ill people. CSH also helped create a new construction design prototype in collaboration with the New York State Office of Mental Health, and provided seed money to 10 supportive housing projects for people with AIDS.

Global Resources for Affordable Neighborhood Development Inc, III ("GRAND III")- BTMT's outstanding balance under Grand III was $40 thousand, as of December 31, 2000. As of the evaluation date, there was no outstanding balance. This program provides 49% financing of participation in construction loans originated by New York City retail banks for new homes built under the New York City Housing Partnership program. By providing affordable homeownership opportunities to lower income buyers, while at the same time redeveloping city-owned in low and moderate-income communities, this program helps to revitalize and stabilize these areas.

Global Resources for Affordable Neighborhood Development Inc, IV ("GRAND IV")

In April 1999, the bank extended a $5.0 million revolving line of credit under this program. As of the evaluation date, the commitment was $4.7 million, with $801 thousand outstanding (*see program description under GRAND III)*.

Medallion Financial Corporation ("Medallion Financial") – In November 2001, the bank committed a $10.0 million revolving line of credit that will mature on November 2002. As of December 31, 2001, the commitment was $7.7 million, all of which was outstanding. The borrower is a Regulated Investment Company under U.S. Small Business Administration guidelines. Medallion makes working capital loans to minority-owned taxicabs and other commercial businesses, such as dry cleaners, laundromats and garages, primarily in New York City.

Medallion Funding Corp ("MFC")– In June 2001, the bank committed a $20.0 million revolving line of credit that will mature in June 2002. As of the evaluation date, the commitment was $18.2 million, with $13.4 million outstanding. A subsidiary of Medallion Financial, MFC is an SBA–licensed Small Business Investment Company that makes working capital loans to small businesses such as dry cleaners, taxi cab businesses, laundromats and garages, primarily in New York City.

The Enterprise Foundation ("TEF")- In June 2001, the bank provided $1.0 million term loan that will mature on June 2006. Founded in 1982, TEF is a national, non-profit housing and community development entity that provides affordable rental and ownership housing for low- and moderate-income people, links residents with human services and job opportunities, and trains community leaders. The entire amount was outstanding as of the evaluation date.

Structured Employment Economic Development Corp ("SEEDCO") – In June 2001, the bank extended $250 thousand term loan to the New York City Program of SEEDCO that will mature on June, 2006. The borrower is a national non-profit entity formed in 1986 by the Ford Foundation. SEEDCO develops model projects and provides technical and financial assistance to community-based organizations and local anchor institutions, such as universities and hospitals that are working in partnership to revitalize low income/low-asset communities. The entire amount was outstanding at evaluation date.

New York State Finance Housing Agency ("NYSFHA")- In December 2001, the bank renewed a $16.2 million standby letter of credit to the NYSFHA which acts as a credit enhancement for revenue bonds. There was no outstanding balance as of the evaluation date. The underlying bonds will finance the construction of low- and moderate-income housing in Rome, LeRay, and Johnstown, New York. On two of the properties, 20% of the units are reserved for persons earning up to 50% of the area median income; on the other property, 100% of the units are reserved for persons earning up to 80% of the area median income. While these projects are outside the bank's assessment area, BTMT's support of these initiatives is considered an enhancement to its already strong performance in serving the needs of its community.

- **Qualified Investments**

As of December 31, 2001, the bank's qualified community development investments totaled $4.1 million with $3.1 million outstanding. Included in the total are collateral trust notes, certificates of deposits and grants. The grant total also includes a portion of the bank's endowment of its foundation as well as grants provided by the foundation.

The following is a brief description of the bank's qualified investments:

Community Capital Bank ("CCB")- The bank maintains a $100 thousand certificate of deposit with Community Capital Bank ("CCB"). CCB is a Brooklyn-based bank that lends primarily to developers of low-income housing in New York City. The entire amount was outstanding at the evaluation date.

Central Brooklyn Federal Credit Union ("CBFCU")- The bank maintains a $90 thousand certificate of deposit to provide loan funds for this community development credit union. The entire amount was outstanding as of the evaluation date.

Community Preservation Corp ("CPC")- The bank continues to purchase collateral trust notes in the amount of $2.1 million, with $1.1 million outstanding (*see program description above)*.

Homesteaders' Federal Credit Union ("HFCU") –The bank maintains a $90 thousand certificate of deposit for three years with this credit union to provide funds for lending. The HFCU is a low income-designated community development credit union serving tenants of Housing Development Fund Corporation (HDFC) limited equity coops or not-for- profit- owned rental buildings. Homesteaders make consumer loans, HDFC share collateralized loans for home improvement, and loans that may be used to pay HDFC insurance premiums. The entire amount was outstanding as of the evaluation date.

Bethex Federal Credit Union ("BFCU")- The bank maintains a $90 thousand nonmember share deposit for three years to provide loan funds for the South Bronx community served by this credit union. The entire amount was outstanding at the evaluation date.

Lower East Side People's FCU ("LESPFCU")– BTMT maintains a $90 thousand nonmember share certificate/deposit for three years to provide funds for this community development credit union serving the lower east side of Manhattan. The entire amount was outstanding as of the evaluation date.

Union Settlement FCU ("USFCU")- The bank has a $90 thousand certificate for three years with Union Settlement FCU, a low-income designated community development credit union serving the East Harlem community. The entire amount was outstanding at the evaluation date.

Neighborhood Trust FCU ("NTFCU")- The bank maintains a $90 thousand nonmember share deposit that will mature on June 2002. Neighborhood Trust serves the residents of Inwood and Washington Heights sections of Manhattan. The entire amount was outstanding as of the evaluation date.

The bank donated an additional $250 thousand to the endowment of the Bank of Tokyo-Mitsubishi Trust Foundation in February, 2001, as well as the proceeds of its Bank Enterprise Award of $193.4 thousand in December 2001, primarily for the purpose of making community development grants. In the second half of 1999, the foundation provided 42 grants totaling $262.9 thousand, to organizations engaged in affordable housing, community services and economic development activities. In 2000, the foundation provided 57 such grants totaling $314.3 thousand and in 2001, the foundation provided 56 community development grants totaling $319.3 thousand, for a sum total of 155 grants valued at $896.5 thousand over the three-year period.

In addition to the grants listed above, the BTMT has a matching grants program whereby the bank will match grants to human service organizations made by employees of the bank. The bank's share is a two-to-one match. In the second half of 1999, the bank's total share of such grants was $3.5 thousand, in 2000, the total was $2.1 thousand, and in 2001 the total was $4.4 thousand.

BTMT has also made grants totaling $146.2 thousand to various organizations involved in the World Trade Center relief effort (*see Other Factors, below, for more information concerning these grants).*

- **Community Development Services**

BTMT's officers and directors have established relationships with a wide range of individuals, organizations and agencies concerned with community development and revitalization to determine community credit needs. The bank also provides community development services to a number of these groups.

Following is a brief description of the bank's development services:

The bank's CRA Officer is a member of the advisory committee of Banking on Our Future, a program dedicated to building financial literacy among low-income young people in New York City.

The bank's CRA Administrator has served on the Gala Committee for Neighborhood Housing Services since 1999, which annually raises $1 million for this organization.

In 2000 and 2001, an officer in the Planning Group served as Co-President of Corporate Volunteers of New York, an active association of companies with employee volunteer programs that exchanges ideas and promote volunteerism.

II. Discrimination or Other Illegal Practices

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

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

Evidence of prohibited discriminatory or other illegal credit practices.

The most regulatory compliance report conducted concurrently with this assessment indicates a satisfactory performance in terms of adherence to anti-discrimination or other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

III. Other Factors

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

BTMT continues to utilize direct contact to ascertain the credit needs of its community. Ongoing site visits and interviews regarding community needs are held by the CRA Officer and staff with an extensive array of community-based organizations in the five boroughs of New York City.

Examples of community groups contacted since the prior evaluation include but are not limited to the following:

- Structured Employment Economic Development Corp;
- Abyssinian Development Corporation;
- Harlem Congregations for Community Improvement;
- Manhattan Valley Development Corporation;
- Corporation Volunteers of New York;
- Local Initiatives Support Corporation;
- New Destiny Housing Corp;
- Good Old Lower East Side, Inc; and
- Enterprise Foundation.

Representatives of the bank also attend seminars and workshops on community -related issues sponsored by not-for-profit-organizations, banks, and trade associations. Such contacts have helped the bank identify issues and organizations to target for possible grants. The bank also maintains memberships in associations that are sources of information

regarding the community.

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

As a wholesale bank, BTMT does not advertise its programs and services to the general public. BTMT relies on officer contact methods for marketing its special credit and other programs. The bank also disseminates its Annual Report on Community Reinvestment to community organizations. The report, similar to CRA Statement, describes the BTMT's community activities, policies and procedures for community development lending, investments, and services.

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

In connection with the bank's Corporate Citizenship Committee meetings, the CRA Officer and staff brief members of the executive management concerning CRA matters on a quarterly basis. Executive Management acts as a source of leadership for the Community Reinvestment Program.

BTMT's board of directors actively participates in the Community Reinvestment Program. Members of the Board Examining Committee are appointed to a CRA Liaison Committee, which monitors developments regarding the CRA and makes appropriate recommendations to the Board of Management. The committee has joined CRA management in visiting representatives of community organizations to see projects first-hand and discuss community needs.

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

During the examination period, BTMT employees volunteered their time for such causes as March of Dimes' annual Walk America, tutoring students weekly at a public elementary school, volunteering at the American Red Cross-Ground Zero, and serving lunch to Senior Citizens and the Homes for the Homeless.

In 1999, a total of 437 hours of bank time was volunteered for several community service organizations. A total of 456 hours and 747 hours of bank time were volunteered in 2000 and 2001, respectively.

BTMT won Bank Enterprise Awards from the U.S. Treasury Department in 1999 and 2001. This prestigious award recognizes the key role played by traditional financial institutions in community development lending and investing and provides incentives to invest in CDFIs and

to increase their financial services, lending and investments in distressed communities. As noted above, the $86 thousand awarded to the bank in 1999 was used to subsidize low interest rates on credit facilities and to contribute to the Foundation's endowment. The $193.5 thousand awarded in 2001 was donated to the BTM Foundation to further its community development grant making activities.

Additionally, the bank made general purpose charitable contributions to organizations such as the American Cancer Society, American Red Cross, National YMCA Fund, United Way, and March of Dimes, New York Cares, Habitat for Humanity, and Catholic Relief Services.

As noted above, the bank also made grants totaling $146.2 thousand in support of World Trade Center-related relief efforts. Listed below are the donations.

World Trade Center Relief Donations All U.S. Branches & Agencies				
	BTM Corp Contribution	**Employee Contribution**	**BTM2:I Match**	**Total**
Sept11th Fund (United Way &NY Community Trust)	$100,000	$4,790	$9,580	$114,370
NY Times 9/11 Neediest Cases Fund		3,050	6,100	9,150
New York City Public/Private Initiatives(City of NY-Fire, Police, EMT Widows &Children)		2,995	5,990	8,985
Salvation Army of Greater New York		650	1,300	1,950
NYS World Trade Center Relief Fund		100	200	300
NY Police & Fire Widows Fund		75	150	225
March of Dimes- 9/2001			11,236	11,236
Grand Totals	**$ 100,000**	**$11,660**	**$34,556**	**$146,216**

BTMT COMMUNITY DEVELOPMENT PORTFOLIO - LOANS/INVESTMENTS AS OF 12/31/01								
Name	**Origination**	**Maturity**	**Commit.**	**Outstand.**	**New $**	**Type***	**Facility**	**CD Credit**
			$(000's)	**$(000's)**	**$(000's)**			**$(000's)**
Community Preservation Corp	Jun-89	1/31/03	2,575	746	0	AH*	Revolver	2,575
Corp for Supportive Housing	6/29/99	6/9/02	129	129	0	AH	Term Loan	129
Enterprise Foundation	6/29/01	6/29/06	1,000	1,000	1,000	AH	Term Loan	1,000
GRAND III			0	40	40	AH	Term Loan	40
GRAND IV	Apr-99	4/30/06	4,707	801	0	AH	Term Loan	4,707
Structured Employment Econ	6/29/01	6/29/06	250	250	0	AH	Term Loan	250
NYS Housing Finance Agency	1-Dec	3/31/02	16,175	0	0	AH	L/C	16,175
NHS CASH II	Aug-95	5/11/06	40	40	0	AH	Revolver	40
NHS CASH III	Jun-98	6/29/09	48	48	0	AH	Revolver	48
Medallion Financial Corp	11/1/01	11/5/02	7,727	7,727	10,000	ED	Revolver	7,727
Medallion Funding Corp	6/30/01	6/28/02	18,182	13,455	0	ED	Revolver	18,182
NYBDC	8/1/01	8/1/02	200	20	200	ED	Line	200
Lending Totals			51,033	24,256	11,240			51,033
Community Preservation Corp	Jun-99	6/30/04	2,094	1,095	0	AH	CTN	2,094
Lower E.Side People's FCU	June-01	4-Jun	90	90	90	ED	Cert Dep	90
Union Settlement FCU		4-Jun	90	90	90	ED	Cert Dep	90
Central Blyn Fed Credit Union	1-Jun	4-Apr	90	90	40	ED	Cert Dep	90
Community Capital Bank	1-Nov	11/2	100	100	0	ED	Cert Dep	100
Homesteaders FCU	Jun-99	2-Jun	90	90	0	ED	Cert Dep	90
Neighborhood Trust FCU	Jun-99	6/29/02	90	90	0	ED	Cert Dep	90
Bethex Federal Credit Union	Jun-99	2-Jun	90	90	0	ED	Cert Dep	90
1999 Grants (6/30/99- 12/31/99)	12/31/99		263	263	263		Grants	263
"99 Matching Grants-"6/99-12/99"	12/31/99		3	3	3		Grants	3
2000 Grants	12/31/00		314	314	314		Grants	314
2000 Matching Grants	12/31/00		2	2	2		Grants	2
2001 Grants	12/31/01		319	319	319		Grants	319
2001 Matching Grants	12/31/01		4	4	4		Grants	4
BTMT Foundation	1999		12	12	12		Grants	12
BTMT Foundation	2000		0	0	0		Grants	0
BTMT Foundation	2001		443	443	443		Grants	443
Investment Totals			4,094	3,095	1,580			4,094
Totals			55,127	27,351	12,820			55,127

GLOSSARY

Community Development

The term "community development" is defined to mean:

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

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

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

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

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote

economic development by financing small businesses;

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

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

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

<u>Low or Moderate Income ("LMI") Geographies</u>

Those census tracts or block numbering areas ("BNAs"), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Individuals/Persons

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

Wholesale Institution

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