



# WHOLESALE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

April 27, 2009

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

BNY Mellon Bank, N.A.  
Charter Number: 6301

BNY Mellon Center  
Pittsburgh, PA 15258

Office of the Comptroller of the Currency

Midsized Bank Supervision  
440 South LaSalle Street  
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**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.

## **INSTITUTION'S CRA RATING:**

This institution is rated **Outstanding**.

The conclusions for the three rating criteria are:

- The bank demonstrates a high level of qualified investment activity.
- The bank demonstrates occasional use of innovative or complex qualified investments and community development loans.
- The bank demonstrates excellent responsiveness to credit and community development needs in its assessment areas.

## **Scope of the Examination**

We conducted an examination of BNY Mellon, N.A. (BNY Mellon) for the purpose of evaluating its performance relative to the Community Reinvestment Act (CRA). On July 1, 2007, The Bank of New York Company and Mellon Financial Corporation merged to form The Bank of New York Mellon Corporation. BNY Mellon was formed on July 1, 2008 from the combination of two financial institutions: Mellon Bank, N.A., a Pennsylvania-based financial institution, and Mellon Trust of New England, based in Boston, Massachusetts. The surviving Pennsylvania-based charter became BNY Mellon and assumed the CRA assessment areas (AAs) of both institutions. The Boston AA is not in this evaluation period since six months of data is needed to determine a meaningful analysis.

BNY Mellon's performance was evaluated under the Wholesale Bank examination procedures. The evaluation period covers community development (CD) activities from January 1, 2005 through December 31, 2008. We reviewed the level and nature of qualified investments, CD lending, and CD services submitted for consideration. The bank also requested consideration of qualified CD activities provided by its affiliates.

The Office of the Comptroller of the Currency (OCC) examined the bank for CRA compliance as a wholesale bank. At its prior CRA examination dated May 15, 2005, Mellon Bank, N.A. was rated "Outstanding."

If a bank has adequately addressed the CD needs within its AA, the OCC will also consider CD activities of the bank that benefit areas outside of its AA. BNY Mellon has adequately addressed the needs of its AAs. Therefore, CD activities outside of the AAs were considered in evaluating overall CRA performance.

In the Multistate Metropolitan Statistical area (MMSA) where the bank has branches in more than one state, a full scope review was selected for one AA. Refer to the section under the MMSA for details regarding how the scope was selected. In each state where the bank has an office, a sample of AAs within that state was selected for full-scope reviews. Refer to each state section for details regarding how the scope was selected.

### **Allocation of Capital, Income, and Receivables**

This evaluation rates the overall CRA performance of BNY Mellon as well as its performance in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMSA and the States of Pennsylvania and Maryland. The overall rating is based on the CRA performance of the bank in the MMSA and each state. The State of Pennsylvania was weighted the heaviest in determining the bank's overall CRA performance as a significant majority of the bank's deposits and qualified investments originated in the state. The ratios contained in this evaluation were derived by allocating bank capital and income to the MMSA and states. The allocations are based on the amount of banking deposits reported by the bank for these areas.

BNY Mellon's deposits in domestic offices as of July 1, 2008 (the most recent data available for analysis) total \$9.044 billion. Of this total, \$8.010 billion or 88.58% are on deposit in Pennsylvania; \$1.010 billion or 11.16% in the Philadelphia-Camden-Wilmington MMSA; and \$24 million or 0.26% in Maryland State. These percentages were used to allocate income and capital to each of the areas.

### **Description of Institution**

BNY Mellon is an interstate bank headquartered in Pittsburgh, Pennsylvania. As of December 31, 2008, BNY Mellon had 19 banking offices with 15 in Pennsylvania, and one each in Massachusetts, New Jersey, Delaware, and Maryland. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a \$238 billion financial services company headquartered in New York City, New York. The merger of Mellon Trust of New England into Mellon Bank N.A. on July 1, 2008, formed BNY Mellon. BNY Mellon retained the charter of Mellon Bank, N.A. The merger significantly reduced the institution's size and business line diversity, with wealth management remaining as its core business line. BNY Mellon also has seven branches in Florida and one in New York; however, all eight of these branches are non-deposit locations.

BNY Mellon was designated a wholesale institution by the OCC on July 19, 2002 for evaluation under the Community Reinvestment Act (CRA). An institution so designated is evaluated pursuant to the Community Development Test, which assesses a bank's record of meeting AA credit needs through CD lending, qualified investments or CD services, as applicable.

BNY Mellon has designated six AAs. In Pennsylvania, the AAs are the Pittsburgh (38300) and Harrisburg-Carlisle (25420) MSAs. The bank has also designated the Philadelphia MD (37974), Wilmington MD (48864), and Camden MD (15804) of the Philadelphia-Camden-Wilmington MMSA as their AA. Lastly, the Bethesda-Frederick-Rockville MSA (13644) in Maryland is a designated AA. The bank's AAs meet the requirements of the CRA regulation and do not arbitrarily exclude low-and moderate-income geographies.

BNY Mellon conducts limited lending activities, primarily as an accommodation to their wealth management and private banking customers. Qualified CD activities of BNY Mellon affiliates or parent company departments are included in this CRA examination and listed as follows:

- *BNY Mellon Community Development Corporation (BNYMCDC)* delivers CD loans and qualified small business loans with a CD purpose. They also participate in CD equity investments including loan funds, insured deposits, low-income housing tax credits and loan consortia. Technical service is also provided to non-profit organizations where the primary focus is community development. The officers of BNYMCDC perform CD services on various non-profit boards, as members of loan committees and participants with loan consortia. BNYMCDC makes some targeted CRA-qualified grants and sponsorships. It operates primarily in the Pittsburgh and Philadelphia AAs.
- *BNY Aurora Holding Corporation* participates in low-income housing tax credit equity investments that provide affordable housing for low-to-moderate income (LMI) individuals and LMI families.
- *BNY Mellon Charitable Foundation* delivers to non-profit entities major CD grants for the primary purpose of community development in the bank's CRA AA of Pittsburgh, in Southwestern PA.
- *The Bank of New York Mellon Foundation* is eligible to make grants throughout other states and areas of the United States exclusive of those Southwestern PA counties in the Pittsburgh AA.
- *The Bank of New York Mellon* has an affordable housing loan commitment to the Massachusetts Housing Partnership Fund in Massachusetts and holds several CD loans and selected low-income housing tax credit investments in various AAs of the bank.
- *BNY Mellon Financial Markets, LLC* provides bond-underwriting services to local governments, school districts, municipal authorities, and state agencies. A number of these bonds provided capital for infrastructure projects specifically benefiting LMI individuals and families.
- *Corporate Affairs* administers employee volunteer CD service efforts, matching funds (grants) for CD-purpose community projects under its Community Partnership program, the Company's Financial Stability Initiative program, and corporate grants and sponsorships for CD purposes.
- *Corporate Treasury Services* sources and purchases CD-qualified equity investments in mortgage-backed securities (single family pools) comprised of loans made to low- and moderate-income borrowers, multi-family housing bonds, and a qualified zone academy bond for Pittsburgh City Schools.

Table 1 provides an overview of BNY Mellon's financial information. Within the scope of its current business units, there are no legal constraints impeding the bank's ability to meet the community's credit needs.

**Table 1: Bank of New York Mellon, N.A. – Financial Information (000s)**

|                                 | <b>Year-end<br/>2005</b> | <b>Year-end<br/>2006</b> | <b>Year-end<br/>2007</b> | <b>Year-end<br/>2008</b> | <b>Average for<br/>Evaluation<br/>Period</b> |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
| <b>Tier 1 Capital</b>           | \$2,135,905              | \$2,103,811              | \$2,374,156              | \$494,489                | \$1,777,090                                  |
| <b>Total Income</b>             | \$2,552,640              | \$2,633,495              | \$1,704,738              | \$811,615                | \$1,925,622                                  |
| <b>Net Operating<br/>Income</b> | \$490,264                | \$274,653                | \$12,052                 | -\$5,397                 | \$192,893                                    |
| <b>Total Assets</b>             | \$25,025,855             | \$26,225,646             | \$39,674,139             | \$7,557,194              | \$24,620,709                                 |

*Source: Consolidated Report of Condition and Income and bank reported data.*

Following the 2008 merger, BNY Mellon's income derives largely from non-interest sources associated with its private wealth management businesses. In 2008, BNY Mellon earned 72 percent of its total income from non-interest activities. Of the 28 percent earned from interest-related activities, 9.5 percent was derived from loans and leases. In its combined AAs, BNY Mellon has an overall deposit market share of 0.9 percent.

# Multistate Metropolitan Areas and Metropolitan Divisions

CRA rating for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate Metropolitan Statistical Area: **Outstanding**<sup>1</sup>

The conclusions for the three rating criteria are:

- The bank demonstrates a high level of qualified investment activity, community development lending, and community development services.
- The bank demonstrates occasional use of complex qualified investments.
- The bank demonstrates excellent responsiveness to credit and community development needs in its assessment area.

## **Description of Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate Metropolitan Statistical Area (Philadelphia MMSA)**

BNY Mellon's AA comprises the Philadelphia MD (37974), Wilmington MD (48864), and Camden MD (15804) of the Philadelphia MMSA. For every MMSA in which a bank has branches in more than one state, at least one full-scope review must be performed. The Philadelphia MD was selected for full-scope review. The Wilmington MD and Camden MD were analyzed using limited-scope procedures. Within the Philadelphia MMSA, approximately 98 percent of deposits, 88 percent of CD investments, and 86 percent of CD lending were originated in the Philadelphia MD. Although the MMSA's overall multistate rating is a blend of the three MDs, more weight was placed on BNY Mellon's performance in the Philadelphia MD AA given that BNY Mellon operates the majority of its branch offices and originates a majority of its community development activities from this location.

Banking competition is strong. There were 162 banks with nearly 2,000 branches in the Philadelphia MMSA as of June 2008, including large national and regional financial institutions. The Philadelphia MMSA is the third largest MMSA in the United States with a population of over 5.8 million. The Philadelphia MMSA continues to experience declines in jobs in most industries. The 2008 unemployment rate for the Philadelphia MMSA was 5.4 percent.

The Philadelphia MD consists of five Pennsylvania counties: Bucks, Chester, Delaware, Montgomery, and Philadelphia. The AA complies with CRA guidelines and does not arbitrarily exclude LMI geographies. As of July 1, 2008, BNY Mellon operated six banking offices within the Philadelphia MD: two each in Montgomery, Philadelphia, and Delaware counties. Two banking

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<sup>1</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

offices were closed during the evaluation period. The Philadelphia MD AA is primarily urban with the city of Philadelphia being the economic center. The city of Philadelphia is the sixth largest city the United States. Pharmaceuticals, healthcare, education, and government are the major industries located in the Philadelphia MD. Major employers include Jefferson Health Systems Inc., the University of Pennsylvania, and Merck & Company Inc.

**Table 2: Philadelphia MD Assessment Area Description**

|                   | Number  | Low   | Moderate | Middle | Upper  |
|-------------------|---------|-------|----------|--------|--------|
| <b>Tracts</b>     | 987     | 12 %  | 19 %     | 33 %   | 33 %   |
| <b>Families</b>   | 970,405 | 11 %* | 20 %*    | 32 %*  | 37 %*  |
| <b>Businesses</b> | 323,131 | 8 %** | 16 %**   | 30 %** | 45 %** |

Source: Demographic Data - 2000 U.S. Census, and 2008 Dun & Bradstreet Data. \*Represents families by census income level. \*\*Represents businesses by income level of census tract. Table data do not add to 100% due to rounding, Also, (18) Census Tract areas not income categorized.

As of the 2000 census, the area had a total population of 3.8 million reflecting an increase of 3.2 percent from the 1990 census. However the Philadelphia MD labor force fell sharply in 2008, reflecting the weak economy, difficult hiring environment, and lack of confidence. Philadelphia MD's unemployment rose to 5.4 percent for 2008, with the highest concentration in Philadelphia County at 7.2 percent. Consumer credit conditions continue to deteriorate and nominal wage growth is softening. The 2008 HUD estimated median family income was \$72,400. The foreclosure pipeline continues to fill rapidly and the median house price is falling. Owner-occupied units comprise 63 percent of total housing units of which 9 percent are located in low-income census tracts and 18 percent are located in moderate-income census tracts. Twelve percent of households are below poverty level.

Recent community contacts conducted for other banks in the AA were used to determine credit needs. In addition, a community contact was conducted with a community-based development corporation. Credits needs identified include affordable housing, economic stability, infrastructure improvements, and small business loans. One contact also stated bank branches are needed in LMI neighborhoods and financial expert volunteers are needed to assist non-profit counseling agencies with mortgage default counseling.

## Conclusions about Performance

### Conclusions for Area Receiving Full Scope Review

#### Summary

BNY Mellon's level of qualified investments, community development lending, and community development services in the Philadelphia MD AA is high. The bank originated a substantial level of qualified investments, particularly mortgage-backed securities (MBS) to LMI borrowers. A number of complex affordable housing low-income housing tax credits (LIHTC) investments were initiated where the bank or affiliates took a leadership role in searching out these opportunities and visit the sites throughout the term of the investments. In addition, the bank is active in making grants that benefit LMI individuals. BNY Mellon's level of community development lending and credit enhancements is extensive and demonstrates excellent responsiveness to meet affordable housing

and economic development needs with the Philadelphia AA. The bank provides a high level of community development services by providing financial expertise to many community development-based organizations.

**Philadelphia MD  
Qualified Investments**

The bank originated a high level of qualified investments in the Philadelphia MD during the evaluation period. The qualified investments are responsive to credit needs. The LIHTC investments are considered complex qualified investments.

Refer to Tables 3 and 4 for the facts and data used to evaluate the bank’s level of qualified investments.

**Table 3: Qualified Investment Activity (000s)**

|   | <b>Philadelphia MD AA*</b> |
|---|----------------------------|
| <b>Originated Investments</b>                           | \$60,293                   |
| <b>Originated Grants</b>                                | \$2,159                    |
| <b>Prior-Period Investments that Remain Outstanding</b> | \$25,846                   |
| <b>Total Qualified Investments</b>                      | \$88,298                   |

\* Investments are located exclusively in the Philadelphia MD AA.

**Table 4: Qualified Investment Percentages**

|   | <b>Philadelphia MD AA*</b> |
|---|----------------------------|
| <b>Total Investments/Average Tier 1 Capital</b> | 45.66%                     |
| <b>Total Investments/Average Total Income</b>   | 42.14%                     |

\*Calculations reflect capital and income allocated by location of deposits based on the bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).

The bank invested \$36.3 million in MBS during the evaluation period. The MBS are comprised of pools of single-family loans to LMI borrowers in the Philadelphia MD. From the prior evaluation period, \$23.5 million of MBS remain outstanding. Of the current evaluation total, \$1.3 million was a project bond for a multifamily affordable housing.

The bank made \$28.4 million in LIHTC investments to develop affordable housing in the Philadelphia MD. LIHTC investments are considered to be complex due to the active analysis by both The Bank of New York Mellon and BNY Mellon in order to ascertain the levels of risk and feasibility of the projects involved. BNY Mellon funded LIHTCs in order to meet the affordable housing credit need identified in the Philadelphia MD.

- An investment for a total of \$11.2 million, with \$1.2 million not yet funded, to finance the development of affordable housing in the Philadelphia MD. This investment supported the construction of 57 units of affordable housing serving low-income and special needs households in the Philadelphia MD.

- An investment of \$4.1 million to develop an independent living housing project, with \$440 thousand committed, but not funded. The project is comprised of 16 units of affordable housing (11 units for maximum income limit of 50% of area median income and 5 units for 40% of area median income) for LMI individuals and families in Philadelphia, PA. Investments in special needs (i.e., independent living facilities) are complex due to the limitations imposed on the use of LIHTCs and the monitoring required. Since the use of LIHTCs are limited to development costs, additional analysis was performed by The Bank of New York Mellon to ascertain that other funding sources for the cost of services that are required by the special needs individuals are viable in order to guarantee the success of the project.
- An investment for \$13.1 million to develop a housing project, with \$11.1 million committed, but not yet funded. The project is comprised of 58 units of affordable housing for LMI individuals and families in Philadelphia, PA.
- The bank maintains a deposit investment of \$75 thousand in each of two community development credit unions in Philadelphia; one of which was initiated during the evaluation period. A balance of \$21 thousand is also maintained in a community development small business fund.

BNY Mellon made grants to organizations approximating \$2.2 million within the Philadelphia MD during the evaluation period. These grants were for affordable housing, economic development, job training, education, and social services to LMI individuals ranging from children to seniors. Some of the grants made by the bank were as follows:

- A grant totaling \$680 thousand for supportive services for an elderly community in Northeast Philadelphia targeting LMI individuals.
- Grants totaling \$76 thousand to a non-profit community-based corporation serving the primary medical care and dental needs of the uninsured and underinsured working poor in Chester County.
- Grants totaling \$75 thousand to an organization that provides comprehensive health, social, cultural, and educational services to LMI individuals in the greater Pittsburgh area.
- A grant totaling \$30 thousand to a foundation to create inspirational learning environments where LMI children are encouraged through soccer to develop strong moral character, strive for academic excellence, and live with positive attitudes.

### **Community Development Lending**

The bank originated a high level of community development loans during the evaluation period. Community development loans originated in the Philadelphia MD during the evaluation period totaled \$24.6 million. The following table shows percentages for total dollars of community development loans:

Refer to Table 5 for the facts and data used to evaluate the bank’s level of community development lending.

**Table 5: Community Development Lending Percentages**

|  | <b>Philadelphia MD AA*</b> |
|--|----------------------------|
| <b>Total CD Lending/Average Tier 1 Capital</b> | 12.72%                     |
| <b>Total CD Lending/Average Total Income</b>   | 11.74%                     |

*\*Community development loans are located in the AA. Calculations reflect capital and income allocated by location of deposits based on the Bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).*

The following describes significant CD loans extended during the evaluation period based on the dollars involved and responsiveness to CD needs.

- Loans totaling \$4 million were extended to a Community Development Financial Institution for The Reinvestment Fund, targeting funds to small businesses, medium businesses, vocational schools, and housing development entities with an emphasis on job creation and economic development in Eastern Pennsylvania.
- BNY Mellon provided \$4.7 million of funding for construction of a 36-unit affordable housing facility for senior citizens which qualifies as a LIHTC development.
- Over 33 loans for approximately \$12.5 million were made primarily to community-based organizations to support affordable housing initiatives. Additional loans totaling \$3.4 million were originated to finance economic development initiatives and social services support for LMI individuals and families.

**Community Development Services**

BNY Mellon provided a high level of CD services to organizations in the Philadelphia MD. The CD services offered by the bank addressed the credit needs of LMI individuals and families with affordable housing and provided financial expertise to community-based organizations involved in CD activities. The following describes a few of the CD service activities:

- A bank officer provides financial expertise through service on the board of directors and finance committee of a community-based organization. The non-profit organization focuses on affordable housing to LMI individuals and families, along with social services and assistance.
- A bank officer serves as Vice-President of the board and finance committee providing financial expertise. The organization focuses on providing senior citizens with access to support services and activities. The majority are LMI senior citizens.
- A bank officer serves on an organization’s committee providing financial expertise that includes financial literacy training. The organization promotes senior citizens housing programs serving LMI individuals and families.

- Two bank officers serve an organization which focuses on providing care for pregnant women, educational programs for new mothers, head-start programs, and immunizations for LMI individuals and families. One officer serves on the board of directors providing financial expertise. The other officer serves on the fund development governance committee and provides financial expertise.
- A bank officer serves on the board of directors of an agency that provides housing and support services for homeless women. Financial expertise is provided by assisting in marketing and promotions, fundraising, income solicitation, and arranging investments.

### Conclusions for Area Receiving Limited Scope Reviews

Based on the limited-scope review, the bank’s performance for qualified investment activity and community development lending in the Wilmington MD AA is not inconsistent with the bank’s overall “Outstanding” performance in the MMSA. The bank conducted an adequate level of community services in the Wilmington MD AA. Refer to Tables 6 and 7 for facts and data used to evaluate the bank’s level of qualified investments and community development lending in the limited-scope Wilmington MD AA. Based on the limited-scope review of the Camden MD AA, the bank’s performance for qualified investment activity is not inconsistent with the bank’s overall “Outstanding” performance in the MMSA. The bank had \$16.9 million of qualified investments. BNY Mellon had no community development lending or services in the Camden MD AA. The qualified investment percentage for the limited-scope Camden MD was not calculated as no deposits are allocated to this AA.

**Table 6: Qualified Investment Percentages**

|  | Wilmington MD AA |
|--|------------------|
| <b>Total Investments/Average Tier 1 Capital*</b> | 245.20%          |
| <b>Total Investments/Average Total Income*</b>   | 226.28%          |

*\*Calculations reflect capital and income allocated by location of deposits based on the bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).*

**Table 7: Community Development Lending Percentages**

|  | Wilmington MD AA |
|--|------------------|
| <b>Total CD Lending/Average Tier 1 Capital</b> | 81.01%           |
| <b>Total CD Lending/Average Total Income</b>   | 74.75%           |

*\*Calculations reflect capital and income allocated by location of deposits based on the bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).*

## State Rating

### State of Pennsylvania

CRA Rating for Pennsylvania: **Outstanding**

The conclusions for the three rating criteria are:

- The bank demonstrates a high level of qualified investment activity and an adequate level of community development lending and community development services.
- The bank demonstrates occasional use of complex qualified investments.
- The bank demonstrates excellent responsiveness to credit and community development needs in its assessment areas.

### Description of Assessment Area

BNY Mellon has designated two MSAs as AAs in the State of Pennsylvania. The AAs are the Pittsburgh MSA (38300) and the Harrisburg-Carlisle MSA (25420). While these areas are heavily urbanized, they also contain rural locations. The AAs include the second largest city in Pennsylvania, Pittsburgh, as well as the state's capitol, Harrisburg. The Pittsburgh MSA AA was chosen for a full-scope review due to its high concentration of deposits (99.9 percent) and CD investments (92.1 percent).. The Harrisburg-Carlisle MSA AA was analyzed using limited-scope procedures. The bank's overall Pennsylvania state rating is a blend of the two AAs.

The Pittsburgh MSA AA consists of seven counties: Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland. The AA complies with CRA guidelines and does not arbitrarily exclude LMI geographies. BNY Mellon operates eight branches within the Pittsburgh MSA: seven in Allegheny and one in Westmoreland County. Banking competition is strong with 59 banks in the Pittsburgh MSA, including several large multi-state regional institutions that have extensive branch networks and the ability to combine CD activities with their retail banking offices and products. As of the 2000 census, the area had a total population of 2.4 million, reflecting a decrease of 1.5 percent from the 1990 census. It is the only one of the bank's AAs to lose population between the census periods.

**Table 8: Pittsburgh MSA Assessment Area Description**

|                   | Number  | Low   | Moderate | Middle | Upper |
|-------------------|---------|-------|----------|--------|-------|
| <b>Tracts</b>     | 721     | 5 %   | 24 %     | 50 %   | 21 %  |
| <b>Families</b>   | 654,982 | 2 %*  | 19 %*    | 53 %*  | 25 %* |
| <b>Businesses</b> | 173,188 | 3 %** | 18 %**   | 46 %** | 32%** |

Source: Demographic Data - 2000 U.S. Census ,2008 Dunn & Bradstreet data. \*Represents families by tract income level. \*\*Represents businesses by income level of census tract. Percentages do not add to 100% due to rounding. One Census Tract is not income categorized.

Pittsburgh's economy is starting to stabilize as job losses are beginning to moderate and the housing market improves. One key reason that the recession in Pittsburgh has been relatively mild is that the metro area is becoming less dependent on manufacturing for growth. The largest industries in Pittsburgh are retail trade and education, health, and financial services. Major employers include University of Pittsburgh & Medical Center, The Bank of New York Mellon, West Penn Allegheny Health System, Wal-Mart Stores, Inc., PNC Financial Services Group Inc., and Westinghouse Electric Company. The 2008 unemployment rate was 5.1 percent. The updated 2008 HUD adjusted median family income is \$60,000.

The housing industry is recovering, with sales, prices and permits all starting to rise at the end of 2008. Inventory, affordability, and credit conditions all have been improving. Homebuilding has seen a mild recovery. Owner-occupied housing units comprise 66 percent of total housing units. Owner-occupied units located in LMI geographies are 1.23 percent and 17.74 percent, respectively. Eleven percent of households are below the poverty level.

Recent community contacts conducted for other banks in the AA were used to determine credit needs. Credit needs identified include affordable housing and small business development lending. Contacts stated state program dollars for affordable housing initiatives have been reduced and there is a need for investment in other forms i.e. subordinate financing, mortgage products for LMI borrowers and below market financing for development costs.

## **Conclusions about Performance**

### **Conclusion for Area Receiving Full Scope Review**

BNY Mellon's level of qualified investments is high. The level of community development lending and services is adequate. The bank demonstrates excellent responsiveness to the credit and economic development needs of the Pittsburgh MSA. The bank originated a number of qualified investments, including complex affordable housing low-income tax credits (LIHTC), where the bank was active in providing leadership by initiating the transaction and performing site visits throughout the term of the investment. BNY Mellon remains an active investor in a state program designed to develop partnerships between financial institutions and community-based organizations to promote economic development. The bank also made grants to community-based organizations engaged in affordable housing development and made equity investments in affordable housing to LMI individuals and families.

Community development activities outside of the AA had a positive impact on the bank's overall CRA performance and that of the State Rating of Pennsylvania. Over \$16.5 million of community development investments and loans were made outside the Pittsburgh MSA and had no potential benefit to the AAs, but benefitted the State of Pennsylvania. Therefore, as BNY Mellon adequately addressed the needs of its AAs, we considered qualified investments and loans located outside of the AA, but within the broader statewide area.

## Pittsburgh MSA Qualified Investments

The bank originated a high level of qualified investments in the Pittsburgh MSA AA during the evaluation period. As affordable housing continues to be a community development need in the AAs, the bank made extensive use of MBS. The MBS are secured by mortgages to LMI borrowers. A few of these investments are considered complex qualified investments. As the bank strongly met the CD needs of the Pittsburgh MSA, additional CD activities outside of the AA also had a positive impact on the bank's overall CRA performance.

Refer to Tables 9 and 10 for the facts and data used to evaluate the bank's level of qualified investments.

**Table 9: Qualified Investment Activity (000s)**

|   | Pittsburgh MSA AA* |
|---|--------------------|
| <b>Originated Investments</b>                           | \$128,006          |
| <b>Originated Grants</b>                                | \$10,312           |
| <b>Prior-Period Investments that Remain Outstanding</b> | \$23,808           |
| <b>Total Qualified Investments</b>                      | \$162,126          |

\*Investments are located exclusively in the Pittsburgh MSA AA.

**Table 10: Qualified Investment Percentages**

|   | Pittsburgh MSA AA* |
|---|--------------------|
| <b>Total Investments/Average Tier 1 Capital</b> | 10.31%             |
| <b>Total Investments/Average Total Income</b>   | 9.51%              |

\* Calculations reflect capital and income allocated by location of deposits based on the bank's annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).

The bank invested \$110.6 million in MBS during the evaluation period. The MBS are comprised of pools of single-family loans to LMI borrowers in the Pittsburgh MSA. Outstanding MBS from the prior evaluation period total \$16.4 million. BNY Mellon also made a current investment of \$11 million in a complex tax credit bond for Pittsburgh City Schools targeted to low-and moderate-income family students. This investment is considered to be complex due to the BNY Mellon's leadership in creating the investment and the active analysis performed by both The Bank of New York Mellon and BNY Mellon for ongoing monitoring of the levels of risk, the feasibility of the projects, and the multiple layers of financing and institutions involved.

Financing for affordable housing was a credit need identified in the Pittsburgh MSA. To meet this need, BNY Mellon made the following investments totaling \$6.5 million in LIHTCs to develop affordable housing in the Pittsburgh MSA:

- A \$5 million investment, with \$645 thousand not yet funded, to develop 83 units for a multi-family affordable housing unit in a low-income tract within the Pittsburgh MSA.
- An investment of \$313 thousand to develop an independent living housing project, with \$89

thousand committed, but not funded. The project is comprised of 25 units of affordable housing for LMI individuals in the Pittsburgh MSA. Investments in special needs (i.e., housing for disadvantaged) are complex due to the limitations imposed on the use of LIHTCs. Since the use of LIHTC are limited to development costs, additional analysis performed by the bank is required to ascertain that other funding sources for the cost of services that are required by the disadvantaged citizens is viable in order to guarantee the success of the project.

- An investment of \$858 thousand to develop a senior care housing project, with \$204 thousand committed, but not funded. The project is comprised of 72 units of affordable housing for LMI senior citizens in the Pittsburgh MSA. Similar to the above investment, this senior housing project is complex due to the limitations imposed on the use of LIHTCs and active monitoring done by the bank.
- An investment of \$314 thousand to develop an elderly affordable housing project, with \$63 thousand committed, but not funded. The project is comprised of 38 units of affordable housing for LMI seniors in McKeesport, PA in the Pittsburgh MSA.
- The bank maintains an \$85 thousand deposit in a community development credit union in the Pittsburgh MSA.

BNY Mellon made grants to organizations totaling \$10.2 million within the Pittsburgh MSA during the evaluation period. These grants were for affordable housing, economic development, job training, education, and social services ranging from children to seniors. Some of the grants made by the bank are as follows:

- Grants totaling over \$2.5 million to an organization supporting human services through many local organizations, many are non-profit, targeting LMI residents.
- An \$800 thousand grant to stimulate growth in southwestern Pennsylvania's economy with job creation and retention for LMI individuals, while also improving the quality of life.
- A grant over \$1 million to an organization that serves the LMI residents of the Bloomfield-Garfield area of Pittsburgh as part of a 10 year pledge involving all facets of the community, such as, advocacy, services for seniors, youth development, and affordable housing.
- Grants totaling \$200 thousand to the redevelopment of a Hill District facility in a LMI neighborhood which will provide library collections, programs and services to LMI individuals and families.
- Grants totaling \$195 thousand to a Pittsburgh food bank which supplies food to a variety of local charities to feed LMI individuals that include LMI families, LMI older adults, and newly unemployed workers.
- Grants totaling \$300 thousand to an organization designed to help LMI individuals attain the necessary skills to become productive citizens and engage community business and human

service agencies to participate in building networks to address community issues.

- Grants totaling \$205 thousand were made to a non-profit organization dedicated to improving housing for low-income elderly and disabled homeowners through home repair and rehabilitation.
- A \$200 thousand grant to an organization that provides care for limited income elderly, along with the lower-income and special needs population of Allegheny County that includes emergency financial assistance, vocational support, in-home daycare, and disadvantaged student scholarships.

**Community Development Lending**

BNY Mellon originated an adequate level of community development loans attributed to the Pittsburgh MSA during the evaluation period. Community development loans originated within the AA total \$20.6 million. The LIHTC marketplace has been viewed to be complex due to the substantial regulatory, financial, and tax reporting issues. The majority of loans were for affordable housing. The community development loans are considered highly responsive in addressing identified credit needs of the Pittsburgh MSA AA.

Refer to Table 11 for the facts and data used to evaluate the bank’s level of community development lending.

**Table 11: Community Development Lending Percentages**

|  | Pittsburgh MSA AA* |
|--|--------------------|
| <b>Total CD Lending/Average Tier 1 Capital</b> | 1.31%              |
| <b>Total CD Lending/Average Total Income</b>   | 1.21%              |

\*Calculations reflect capital and income allocated by location of deposits based on the Bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).

- A \$2 million loan for development of a 41-unit LIHTC project for the rehabilitation of seven existing buildings and the construction of three new buildings targeting low-income individuals or families. The 41 units are located in the East Liberty section of Pittsburgh and the buildings meet a need for affordable low-income housing.
- A \$2 million loan to a Community Development Financial Institution for small businesses, medium businesses, vocational schools, and housing development entities with an emphasis on job creation and economic development in Western Pennsylvania.
- A \$1.3 million loan for construction of an 18-unit LIHTC apartment buildings targeting lower-income individuals and families. Located in Westmoreland County, the buildings meet a need for affordable low-income housing.

- A \$988 thousand loan to renovate a 112-unit LIHTC apartment building targeting low-income senior citizens. Located in a moderate-income tract in the Pittsburgh area, the building meets a need for affordable senior housing.
- BNY Mellon loaned a \$900 thousand working line-of-credit for a non-profit organization engaged in housing programs and social service programs targeting LMI individuals to include LMI families, elderly, and disabled.
- The bank originated over 29 additional CD loans during the evaluation period to non-profit organizations in support of affordable housing. These loans totaled nearly \$7.8 million. Also, the bank made loans totaling \$730 thousand during the evaluation period that provided renovations and revitalization within the Pittsburgh AA.

### **Community Development Services**

BNY Mellon provided an adequate level of CD services to organizations in the Pittsburgh MSA AA. These organizations provide help and support for the development of affordable housing, assistance to small businesses, economic development, revitalization of distressed communities, and housing and social counseling to LMI individuals and families. The following describes some of the CD services provided during the evaluation period:

- A bank officer serves as a board member and assistant treasurer, providing financial expertise, for a housing provider and social service agency for low-income families and special needs individuals.
- A bank officer serves on the board of directors for a food bank. This organization supplies food to a variety of local charities primarily benefiting LMI individuals. The bank officer provides financial expertise in fundraising, marketing and related financial matters.
- A bank officer serves on the board of directors for the large regional medical center located in a LMI area that serves LMI individuals. The bank officer provided financial expertise in fundraising, marketing, and related financial matters.
- One bank officer taught five, one-hour classes on business and economics targeted to a majority of attendees from LMI families and households.
- Another bank officer provides financial expertise and lending guidance as a member of a loan review committee who provides funding and technical support to small businesses and developers for economic development projects.
- A bank officer serves on the board of directors, serves as treasurer, and serves on the business loan committee providing financial guidance for a local city through a state enterprise zone program.
- Two bank officers are involved with a redevelopment authority. One bank officer is chairman of the loan review committee providing financial expertise and lending guidance.

The other bank officer serves on the business loan committee providing financial guidance.

## Conclusions for Areas Receiving Limited Scope Review

### Conclusions for Area Receiving Limited Scope Reviews

Based on the limited-scope review, the bank’s performance in the Harrisburg–Carlisle MSA AA is not inconsistent with the bank’s overall “Outstanding” performance in the State. Refer to Tables 12 and 13 for facts and data used to evaluate the bank’s level of qualified investments and community development lending in the limited-scope AA. The bank did not conduct any community development services in the AA during this evaluation period.

**Table 12: Qualified Investment Percentages**

|  | Harrisburg-Carlisle MD AA |
|--|---------------------------|
| <b>Total Investments/Average Tier 1 Capital*</b> | 885.32%                   |
| <b>Total Investments/Average Total Income*</b>   | 816.82%                   |

*\*Calculations reflect capital and income allocated by location of deposits based on the bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).*

**Table 13: Community Development Lending Percentages**

|  | Harrisburg-Carlisle MD AA |
|--|---------------------------|
| <b>Total CD Lending/Average Tier 1 Capital</b> | 381.19%                   |
| <b>Total CD Lending/Average Total Income</b>   | 351.70%                   |

*\*Calculations reflect capital and income allocated by location of deposits based on the bank’s annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).*

## State Rating

### State of Maryland

CRA Rating for Maryland: **Satisfactory**

The conclusions for the three rating criteria are:

- The bank demonstrates a high level of qualified investment activity.
- The bank demonstrates no use of innovative or complex qualified investments. No community development loans were originated or CD services conducted during the evaluation period.
- The bank demonstrates adequate responsiveness to community development needs in its assessment area.

### Description of Assessment Area

#### **Bethesda-Frederick-Rockville Metropolitan Division (MD)**

The bank's only AA in Maryland is the Bethesda-Frederick-Rockville MD, commonly referred to here thereafter as "AA." The AA consists of two counties: Frederick and Montgomery. The AA complies with CRA guidelines and does not arbitrarily exclude LMI geographies. The AA is mostly suburban. BNY Mellon's one branch in the AA is in Montgomery County. Banking competition is considered strong as there are 42 banks, including large and regional banks, in the AA. As of the 2000 census, the area had a total population of 1.1 million reflecting an increase of 17.8 percent from the 1990 census.

The end of Maryland's mild recession is in sight, but stress lines remain as the labor market is troubled. Layoffs in several industries are still exacting a toll across the state, leading to rising consumer defaults and foreclosures, all of which are begetting further job losses. Construction firms have suffered the greatest from the decline in fixed residential investment. The labor market's deterioration is, however, moderating and payroll declines are slowing. The December 2008 unemployment rate was 4.0 percent. The area's major employers are Fort George G. Meade, the University System of Maryland Higher Education, and Johns Hopkins University. The updated 2008 HUD adjusted median family income is \$104,400 and is the highest in any of BNY Mellon's AAs. Only 5 percent of households are below the poverty level.

**Table 14: Assessment Area Description**

|                   | <b>Number</b> | <b>Low</b> | <b>Moderate</b> | <b>Middle</b> | <b>Upper</b> |
|-------------------|---------------|------------|-----------------|---------------|--------------|
| <b>Tracts</b>     | 209           | 2 %        | 24 %            | 43 %          | 31 %         |
| <b>Families</b>   | 278,302       | 1 %*       | 22 %*           | 47 %*         | 30 %*        |
| <b>Businesses</b> | 115,646       | 1 %**      | 23 %**          | 46 %**        | 30 %**       |

Source: Demographic Data - 2000 U.S. Census, 2008 Dun & Bradstreet data. \*Represents families by tract income level.

\*\*Represents businesses by income level of census tract. (1) Census Tract is not income categorized.

The importance of federal government activity to the Maryland economy is evident in the geographical distribution of housing price appreciation. According to the state assessment data, house prices in Maryland have been rising most rapidly in over the last three years in Montgomery and Frederick counties. The weighed average median home price is \$217,548. Owner-occupied units comprise almost 68 percent of total housing units. Owner-occupied units located in LMI geographies are 0.38 percent and 14.09 percent, respectively. Long term performance of the bank's suburban Maryland AA will be determined by private high-tech industries, such as biotech, pharmaceuticals and medical research.

Recent community contacts conducted in the AA were used to determine credit needs. Affordable housing remains a key need in the AA. Access to public transportation is also an important and vital need, particularly for low and moderate-income households that may not have immediate or regular access to a car. In addition to affordable housing for low and moderate-income households, there is a need for workforce housing, particularly housing for teachers, firefighters, and police officers.

## **Conclusions about Performance**

### **Summary**

BNY Mellon demonstrates a high level of qualified investment activity relative to their deposits (\$24 million) in the AA. The bank invested \$11.3 million in MBS during the evaluation period. Investing activities are responsive to credit needs identified in the AA in relation to the bank's limited presence in the market. The bank did not make any CD loans nor perform any CD services.

### **Qualified Investments**

The level of investments in the Bethesda-Frederick-Rockville MD is high.

Refer to Tables 15 and 16 for the facts and data used to evaluate the bank's level of qualified investments.

**Table 15: Qualified Investment Activity (000s)**

|   | <b>Maryland AA*</b> |
|---|---------------------|
| <b>Originated Investments</b>                           | \$11,299            |
| <b>Originated Grants</b>                                | \$5                 |
| <b>Prior-Period Investments that Remain Outstanding</b> | \$2,030             |
| <b>Total Qualified Investments</b>                      | \$13,334            |

*\* Investments are located exclusively in the Maryland AA.*

**Table 16: Qualified Investment Percentages**

|   | <b>Maryland AA*</b> |
|---|---------------------|
| <b>Total Investments/Average Tier 1 Capital</b> | 288.61%             |
| <b>Total Investments/Average Total Income</b>   | 266.31%             |

*\*Calculations reflect capital and income allocated by location of deposits based on the Bank's annual Summary of Deposits report, available at [www.fdic.gov](http://www.fdic.gov).*

The bank invested \$11.3 million in MBS during the evaluation period. The MBS are comprised of pools of single-family loans to LMI borrowers in the AA. From the prior period, \$1.6 million in MBS are outstanding.

BNY Mellon made one community development grant of \$5 thousand that funded an organization that annually rehabilitates homes of low income individuals.

**Community Development Lending**

The bank made no CD loans in the AA during the evaluation period.

**Community Development Services**

The bank did not conduct any CD services in the AA during the evaluation period.

## **Community Development Activities Outside of Assessment Areas**

CD activities outside of the bank's AAs had a positive impact on the bank's overall CRA performance. BNY Mellon received consideration for these community development activities outside of its AAs because it has adequately addressed community development needs within its AAs and further supports the bank's overall "Outstanding" rating.

### **Qualified Investments**

BNY Mellon invested \$1.8 million in MBS during the evaluation period. The MBS are comprised of pools of single-family loans to LMI borrowers outside of the bank's AAs. Outstanding MBS from the prior period total \$6.8 million.

The bank made the following investments in LIHTC totaling \$18.7 million to develop affordable housing outside its AAs. The LIHTC investments are considered to be complex due to the initial and ongoing analysis performed by the bank to ascertain the levels of risk, the feasibility of the projects and the multiple layers of financing and institutions involved.

- Two investments for a total of \$5.5 million, with \$1.6 million not yet funded, that financed the development of affordable housing outside the bank's AAs through the use of LIHTC. These investments supported the construction of 517 units of affordable housing in the state of California.
- Another two investments for a total of \$13.2 million, with \$2.6 million not yet funded, that financed the development of affordable housing outside the bank's AAs through the use of LIHTC. These investments also supported the construction of 71 units of affordable housing in the state of California.

The bank also made an additional \$1.3 million in miscellaneous investments outside of their AAs.

- One investment of \$1 million was made to a community reinvestment corporation.
- Miscellaneous investments totaling \$150 thousand were made in community development funds to support small business and economic development.
- Grants targeting LMI individuals totaling \$83 thousand were made for services including educational programs, affordable housing and food for the hungry.
- An investment of \$50 thousand was made to support affordable housing. Other investments include \$11 thousand in affordable home mortgages and a \$1 thousand equity investment in a community development corporation.

### **Community Development Lending**

BNY Mellon originated community development loans totaling \$5.4 million during the evaluation period in areas that have no potential benefit as they are located outside the AAs. Several of these loans are listed below:

- A loan for \$1 million for an affordable housing project located in a LIHTC qualified census tract in NJ.
- A loan for \$452 thousand for community development of an affordable housing project located in the state of Connecticut.
- A \$2.5 million standby letter of credit to support an Industrial Development Bond (IDB) issued by the city of Phoenix, Arizona. Proceeds from the IDB are used for economic development of a moderate income census tract.

### **Community Development Services**

A bank officer serves on the board of directors for an agency outside of the bank's AAs whose mission is to provide affordable housing in the state of California. The bank officer provided financial expertise in fundraising, marketing, and related financial matters.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## ***Definitions and Common Abbreviations***

The following terms and abbreviations are used throughout this performance evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Assessment Area (AA):** A geographic area that consists generally of one or more MAs (using the MA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

**Benefit to Assessment Area:** A qualified Community Development activity benefits the assessment area if (i) the activity benefits areas within the assessment area, or (ii) the activity benefits a broader statewide or regional area that includes the bank’s assessment area. If a bank has adequately addressed the needs of its assessment area, then the OCC also considers activities submitted by the bank that benefit areas outside of its assessment area.

**Census Tract (CT):** Small, locally defined statistical areas within Metropolitan Areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

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

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved non-metropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if

they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Median Family Income (MFI):** The median income determined by the United States Census Bureau every 10 years and used to determine the income level category of geographies. Also, it is the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of families. For any given geography, the median is the point at which half of the families have income above it and half below it. (See the four categories of median income below.)

- **Low-Income** – An income level that is less than 50% of the MFI.
- **Moderate-Income** – An income level that is at least 50% and less than 80% of the MFI.
- **Middle-Income** – An income level that is at least 80% and less than 120% of the MFI.
- **Upper-Income** – An income level that is 120% or more of the MFI.

**Metropolitan Area (MA):** Refers to an MSA or a metropolitan division.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Net Operating Income:** As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments.

**Pass-Through Receivables:** Outstanding receivables tied to all accounts issued or owned by the bank. Pass-through receivables include receivables attributable and receivables retained on balance sheet as those terms are used in 12 CFR 8.

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity

with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Total Assets:** Total bank assets as listed in the Consolidated Report of Condition and Income.

**Total Income:** From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income.

**Wholesale Institution:** An 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 bank is in effect.