

PUBLIC DISCLOSURE

February 24, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**HSBC BANK USA
RSSD I.D. 413208**

**ONE HSBC CENTER
BUFFALO, NEW YORK 14203**

FEDERAL RESERVE BANK OF NEW YORK

**33 Liberty Street
New York, New York 10045**

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: HSBC Bank USA is rated **“OUTSTANDING.”**

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

PERFORMANCE LEVELS	HSBC BANK USA		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors supporting the institution's rating follow:

- Total volume of housing-related and small business loans showed excellent responsiveness to credit needs in the bank's assessment areas.
- The geographic distribution of lending was good.
- The overall distribution of loans to individuals of different income levels and businesses of different revenue sizes was excellent.
- Community development lending exhibited excellent levels of activity overall.
- The bank had an excellent level of qualified investments.
- Overall, retail delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment areas.

INSTITUTION

DESCRIPTION OF INSTITUTION

HSBC Bank USA (“HSBC”) is a full-service commercial bank offering various commercial and consumer lending products and banking services. Based in Buffalo, New York, the bank is a principal subsidiary of HSBC North America Inc., an indirectly held, wholly owned subsidiary of HSBC Holdings PLC. Headquartered in London, HSBC Holdings is one of the world’s largest banking and financial service organizations.

As of December 31, 2002, HSBC had total assets of \$84 billion, with net loans and leases of \$43 billion representing approximately 50% of the bank’s assets. The major component of HSBC’s loan portfolio was real estate lending, which totaled \$28 billion (65%). Commercial and industrial loans totaled \$11 billion (26%).

Deposits of \$40 billion at domestic offices and \$20 billion at foreign offices represented 76% of liabilities as of December 31, 2002. In the U.S., HSBC’s deposits were held in branches in four states: New York, Pennsylvania, Florida and California. The substantial majority of the bank’s branches and deposits were located in New York with a much smaller presence in the other states. HSBC obtained its Pennsylvania branches following its 1999 purchase of First Commercial Bank of Philadelphia. HSBC’s Florida and California branches resulted from its 1999 acquisition of Republic New York Bancorp.

In terms of domestic deposit market share, HSBC is ranked near the top in New York but much lower in Pennsylvania, Florida and California. For details, see the table at right.

HSBC Mortgage Corporation (USA) (“HSBC Mortgage”) is the main affiliate for the bank’s nationwide marketing of its home purchase loans and refinance loans (“refinancings”). Brokers

throughout the U.S. serve as the mortgage company’s primary intermediary, resulting in 75% of mortgage originations coming from brokers and 25% from branches. HSBC also has 24 loan production offices (“LPOs”) in its assessment areas.

The bank offered home improvement loans primarily through its branch network. HSBC’s small business lending is also very branch-driven. The bank also has small business relationship managers who focus on commercial lending throughout most of the bank’s markets. These

State	Number of Branches*	Deposit Ranking†	Deposit Market Share†
New York	410	3 rd	7%
Pennsylvania	2	217 th	Less than 1%
Florida	8	43 rd	Less than 1%
California	4	96 th	Less than 1%

* As of November 30, 2002.

† Source: Federal Deposit Insurance Corporation for FDIC-insured institutions operating in each state as of June 30, 2002.

managers work with businesses that have annual revenues of less than \$10 million or less than 100 employees. HSBC offers its business customers small business credit cards. Approximately 35% of the bank's 2002 small business loan originations were small business credit cards.

At this examination, HSBC had four state rating areas encompassing 19 assessment areas, which include:

NEW YORK

- CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA), including PMSA 5600 (New York, NY), PMSA 5380 (Nassau-Suffolk, NY), PMSA 2281 (Dutchess County, NY), and the New York State portion of PMSA 5660 (Newburgh, NY-PA).
- MSA 0160 (Albany-Schenectady-Troy, NY), consisting of Saratoga and Schenectady Counties, and portions of Albany, Montgomery and Rensselaer Counties.
- MSA 1280 (Buffalo-Niagara Falls, NY).
- MSA 6840 (Rochester, NY), consisting of Genesee, Livingston, Monroe, Orleans and Wayne Counties, and a portion of Ontario County.
- MSA 8160 (Syracuse, NY), consisting of Onondaga and Oswego Counties, and portions of Cayuga and Madison Counties.
- MSA 0960 (Binghamton, NY).
- MSA 2335 (Elmira, NY), consisting of Chemung County.
- MSA 2975 (Glens Falls, NY), consisting of portions of Warren and Washington Counties.
- MSA 3610 (Jamestown, NY).
- MSA 8680 (Utica-Rome, NY).
- Non-MSA Group 1, consisting of Jefferson, Lewis, St. Lawrence, Franklin and Clinton Counties, and portions of Essex, Hamilton and Fulton Counties.
- Non-MSA Group 2, consisting of portions of Otsego, Delaware, Sullivan, Ulster, Greene and Columbia Counties.
- Non-MSA Group 3, consisting of Cortland, Tompkins and Schuyler Counties, and portions of Steuben and Chenango Counties.
- Non-MSA Group 4, consisting of portions of Cattaraugus and Wyoming Counties.

PENNSYLVANIA

- PMSA 6160 (Philadelphia, PA-NJ), consisting of portions of Philadelphia, Delaware and Montgomery Counties.

FLORIDA

- CMSA 4992 (Miami-Fort Lauderdale, FL), consisting of PMSA 5000 (Miami, FL) and PMSA 2680 (Fort Lauderdale, FL).
- MSA 8960 (West Palm Beach-Boca Raton, FL), consisting of a portion of Palm Beach County.

CALIFORNIA

- CMSA 7362 (San Francisco-Oakland-San Jose, CA), consisting of PMSA 5775 (Oakland, CA) and PMSA 7360 (San Francisco, CA). PMSA 7360 consists of Marin, San Francisco and San Mateo Counties. PMSA 5775 consists of a portion of Alameda County.
- CMSA 4472 (Los Angeles-Riverside-Orange Counties, CA), consisting of a portion of Los Angeles County.

HSBC's assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude low- and moderate-income ("LMI") geographies. The maps in Appendix E illustrate the bank's assessment areas in New York, Pennsylvania, Florida and California.

The bank's previous CRA examination was conducted as of January 22, 2001, at which time HSBC received an overall rating of "outstanding." There are no financial or legal factors that would prevent the bank from fulfilling its responsibilities under CRA.

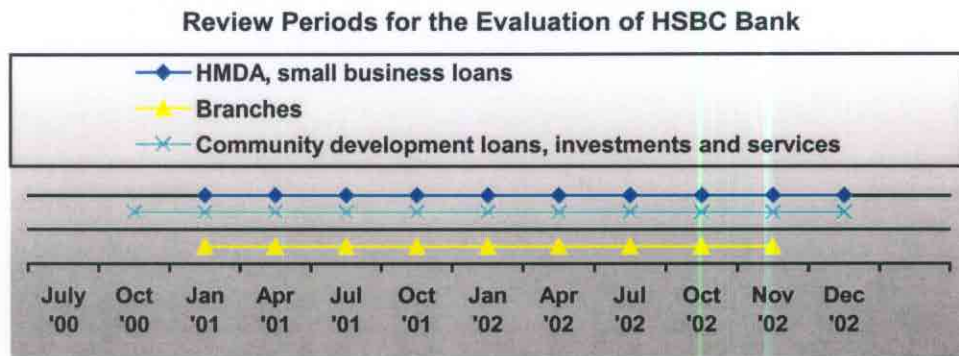
SCOPE OF EXAMINATION

HSBC's 19 assessment areas were reviewed using the Federal Financial Institutions Examination Council's *Interagency Procedures and Guidelines for Large Retail Institutions*. The evaluation covers the bank's CRA performance from January 1, 2001, through December 31, 2002. Loan products evaluated include home purchase, refinance, home improvement, multifamily, small business loans and other loans qualifying as community development loans. The mortgage loans included in the evaluation were reported under the Home Mortgage Disclosure Act ("HMDA"). The small business loans evaluated were reported under CRA.

HSBC's management requested that examiners consider the home purchase loans and refinancings of its affiliate, HSBC Mortgage. HSBC Mortgage, a residential mortgage lender and wholly owned subsidiary of the bank, originated most of the home purchase loans and refinancings reviewed, while HSBC originated home improvement, multifamily and small business loans.

HSBC management also requested that the investments of its wholly owned subsidiary, HSBC Community Development Corporation USA, be considered at this examination as qualified investments.

As depicted in the accompanying chart, home purchase, refinance, home improvement, multi-family and small business loans covered originations between January 1, 2001, and December



31, 2002. Qualifying community development loans, investments, grants and services covered the period of October 1, 2000, through December 31, 2002. The accessibility of the bank's branch network and changes in branch locations were reviewed for the period of January 1, 2001, through November 30, 2002.

For the service test, the review period excluded December 2002 because of the bank's December 9, 2002, branch acquisitions in Portland, Oregon, and Seattle, Washington. Before the transaction with HSBC of Canada, these branches were limited in the type of deposits they could acquire, and only after the acquisition did they receive full deposit authority as well as CRA obligations. As the bank entered these markets at the very end of the review period, examining the bank's CRA performance in these cities based on less than a month's presence would be inconclusive.

For evaluation of the geographic distribution of loans, geographies were classified on the basis of the Census Bureau's 1990 income data. Performance was rated based on penetration in LMI geographies, but performance in LMI geographies was analyzed separately.

For the evaluation of borrower characteristics, borrower income levels were determined based on 2001 and 2002 estimated median family income data from the U.S. Department of Housing and Urban Development ("HUD"). Performance in lending to LMI borrowers was analyzed separately. Overall performance was rated with an emphasis on lending to moderate-income borrowers given the difficulties in lending to low-income borrowers in many of the assessment areas because of the very high cost of housing.

To conduct a meaningful analysis of either geographic distribution of lending or borrower characteristics, a rated assessment area had to contain sufficient loan volume. Examiners determined that a product category have at least 50 loans in order to provide for a reasonable analysis.

HMDA-related and small business loan performance was compared with the aggregate of all lenders in HSBC's assessment areas reporting real estate loans under HMDA and small business loans under CRA. For HMDA-related and small business lending, 2001 aggregate lending performance was compared with the bank's 2000 and 2001 lending performance.

For each assessment area, the performance of certain loan products in meeting community credit needs was given greater weight than the performance of other loan products when drawing conclusions on the bank's overall performance for geographic distribution and borrower characteristics. While a comparison of the lending volume of a product with total volume in an assessment area determined the weight of a product's performance in a conclusion, these volumes differed by product and assessment area. For details, see Appendix D Table 1 for each of the four rating areas. For example, home purchase loans amounted to 38% of total lending in New York State and only 22% in California.

HSBC's performance in New York State received significantly greater weight in determining the bank's overall rating because of the concentration of deposits, lending and demographics in the state. Of the bank's four state assessment areas, New York contained 97% of the bank's deposits, 88% of total lending reviewed at this examination, 63% of the population, and 70% of the census tracts.

In order to gain an understanding of community credit needs, examiners conducted 10 interviews with community contacts during the examination and reviewed 14 community contact interviews held during other bank examinations by the Federal Reserve Banks of New York, Philadelphia, Atlanta and San Francisco. Community contacts included representatives of community-based organizations, municipalities and quasi-government agencies.

As part of the CRA examination, examiners verified the integrity of small business loan data that the bank reported in 2001 and 2002, as well as data reported under HMDA for those years. Errors were found in small business loan reporting for both years. Management corrected the data used in this examination. The bank's public file contains corrected small business loan data for 2001 while corrections for 2002 were made to the 2002 small business loan data before submission to the Federal Reserve Board of Governors.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

HSBC's record of meeting the credit needs of its assessment areas through its lending performance is rated "outstanding."

The tables in Appendix D contain facts and data used to evaluate the bank's lending test performance in the selected assessment areas. Each rated assessment area has its own set of tables. Lending activity is depicted in the tables labeled number 1, geographic distribution in Tables 2-7, and borrower characteristics are depicted in Tables 8-12.

Lending Activity: Lending activity reflected excellent responsiveness to assessment area credit needs based on outstanding performance in the New York State assessment area, good performance in the California assessment area, and adequate performance in both the Pennsylvania and Florida assessment areas.

HSBC and its mortgage affiliate originated and purchased 100,036 loans totaling approximately \$15 billion during the examination period. For details, see Exhibit 1 below. HSBC Mortgage was responsible for 83% of home purchase and 78% of refinance transactions, while the bank was the predominant lender in home improvement, multifamily and small business lending. The substantial majority of multifamily lending was in CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) with minimal volumes in upstate New York and Florida. The substantial majority of home improvement lending took place in New York State, mostly upstate.

Compared with the previous examination period (1999-2000), home purchase and refinance lending volume more than doubled as result of declining interest rates. Home improvement lending, however, declined 18%. Management indicated that most home improvement credit needs are financed through the bank's home equity products and are therefore not categorized as home improvement loans for the purpose of HMDA reporting.

Small business and small farm lending declined 8% compared with the previous examination period because of a weakened economy.

EXHIBIT 1				
Summary of Lending Activity				
HSBC Bank and Affiliates*				
Loan Type	#	%	\$ ('000s)	%
HMDA home purchase	34,515	35	5,600,122	38
HMDA refinancings	35,262	35	5,805,876	39
HMDA home improvement	4,314	4	39,973	0
HMDA multifamily	259	0	905,273	6
Total HMDA-related	74,350	74	12,351,244	83
Total small business & small farm	25,686	26	2,556,213	17
TOTAL LOANS	100,036	100	\$14,907,457	100

* Bank and affiliate loans include only loans originated or purchased within the bank's assessment areas.

Assessment Area Concentration: As indicated in Exhibit 2 on the following page, approximately 89% of HSBC's loans and 81% of the dollar volume originations came from inside the bank's assessment area. Ninety-three percent of the bank's home purchase loans and 83% of the bank's refinancings were purchased from the bank's affiliate HSBC Mortgage, which is not subject to Regulation BB and not considered when analyzing the bank's inside-assessment area ratio in its combined assessment areas. As previously noted, the bank's originations are limited to small business, home improvement and multifamily loans. Less than 1% of the total home purchase and refinance credit extended was originated by the bank. In its full-scope assessment areas, HSBC's market share for HMDA-related and small business loans was commensurate with its deposit market share.

EXHIBIT 2								
Lending Inside and Outside the Assessment Area								
HSBC Bank*								
	Inside				Outside			
	#	%	\$('000s)	%	#	%	\$('000s)	%
HMDA home purchase	295	90	16,720	94	33	10	1,058	6
HMDA refinancings	411	91	32,421	90	41	9	3,573	10
HMDA home improvement	4,265	93	35,922	93	305	7	2,869	7
HMDA multifamily	259	92	905,273	90	23	8	100,871	10
Total HMDA-related	5,230	93	990,336	90	402	7	108,371	10
Total small business†	25,686	88	2,556,213	79	3,416	12	699,498	21
TOTAL LOANS	30,916	89	\$3,546,549	81	3,818	11	\$807,869	19

* Includes bank originations only; affiliate loans not included.

† The small business loan total includes 896 small farm loans.

Geographic and Borrower Distribution: The overall geographic distribution of HMDA-related and small business lending reflected good loan penetration in LMI geographies. Performance was good in New York while only adequate in Pennsylvania, Florida and California.

HSBC also originated 49 multifamily loans for properties located in LMI tracts. These multifamily dwellings included more than 3,700 housing units. Most of the multifamily loans were made in CMSA 5602.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was excellent based primarily on excellent performance in New York State. Performance varied in HSBC's other assessment areas, with good performance in both Pennsylvania and Florida and only adequate performance in California.

Community Development Lending: HSBC's community development lending performance was excellent based on excellent performance in New York, Florida and California, and adequate performance in Pennsylvania. Overall, the bank originated 283 community development loans totaling \$628 million during the examination period. Most lending (94%) was in the New York State assessment area.

Community development loans were responsive to needs in the various assessment areas. Of total community development loan dollars, 56%, or \$353 million, were directed to affordable housing. This included approximately \$91 million directly invested in multifamily housing, which financed more than 4,600 housing units. Another 18% of community development lending dollars or \$112 million were directed toward activities that revitalize and stabilize LMI geographies. Community services made up 15% or \$97 million of community development loans. Eleven percent or \$66 million targeted economic development. In addition to the direct lending, the bank issued 22 community development letters of credit totaling over \$148 million.

INVESTMENT TEST

HSBC's investment test performance is rated "outstanding" based on excellent performance in New York and Florida, and adequate performance in California and Pennsylvania. At this examination, the bank's volume of qualified investments totaled nearly \$126 million, which includes over \$66 million in new investments made since the previous examination. Approximately 3% or \$4 million of investment activity involved grants to organizations promoting community development. For details, see Table 14 for each of the four state rating areas.

Approximately \$59 million or 47% of total investments were carried forward from prior examination periods. Most investments (\$83 million or 66%) were concentrated in low-income housing tax credits ("LIHTCs") which help provide affordable rental housing. Another \$20 million or 16% were collateral trust notes of community development investment corporations.

Most qualified investments were made in New York, where activity totaled over \$124 million or 98% of total investments in the combined assessment areas.

HSBC's investments exhibited excellent responsiveness to the credit and community development needs in the bank's various assessment areas. Over \$118 million or 94% of investments were directed to agencies that supported affordable housing development. Economic development activity represented nearly \$7 million or 5% of total activity. Investment activity directed to community service organizations totaled \$673 thousand or 1% of total activity. Investments to revitalize and stabilize LMI geographies totaled \$493 thousand.

SERVICE TEST

HSBC's performance under the service test is rated "outstanding" based on excellent performance in the full scope New York assessment areas. The bank's Pennsylvania, Florida and California ratings are "low satisfactory." For branch details, see the four tables numbered 15 in Appendix D as well as the Service Test sections for each assessment area.

Retail Services: The bank's delivery systems were readily accessible to geographies and individuals of different income levels in its assessment areas. Branches located in non-LMI census tracts but adjacent to LMI geographies were considered in the branch analysis.

HSBC's record of opening, closing and consolidating branches did not adversely affect the accessibility of the bank's delivery systems, particularly to LMI geographies. Business hours were reasonable and did not vary in a way that inconvenienced certain portions of its various assessment areas, particularly LMI geographies. Extended business hours in the evening and on weekends were regularly provided.

HSBC used several alternative delivery systems that did not significantly enhance the distribution of banking services throughout its assessment areas. The delivery systems included a network of 456 automatic teller machines ("ATMs"), of which 394 were on-site and 62 were off-site. Twenty-five percent of ATMs were located in LMI areas. Other alternative delivery services included:

- Electronic (Internet) banking, which provides access to all banking services in addition to bill payment service.
- 24 mortgage LPOs staffed by employees with specialized expertise.

Community Development Services: Overall, HSBC provided an adequate level of community development services based on performance in the bank's full scope New York State assessment areas. Many of the services were located in CMSA 5602. The levels of services were limited in Pennsylvania, Florida and California.

During the examination period, the bank participated in the affordable housing, community investment and development initiatives of the Federal Home Loan Bank of New York ("FHLB"), the Housing Partnership Network, Community Preservation Corporation ("CPC") and Neighborhood Housing Services ("NHS").

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

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

NEW YORK STATE

CRA RATING FOR NEW YORK: "OUTSTANDING."

The lending test is rated: Outstanding.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

Major factors supporting the rating include:

- Excellent responsiveness to assessment area credit needs;
- Good geographic distribution of loans in the bank's assessment areas;
- Excellent distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Readily accessible delivery systems to geographies and individuals of different income levels.

SCOPE OF EXAMINATION

For the New York State rating, examiners conducted a full scope review of the following assessment areas:

- CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA);
- MSA 0160 (Albany-Schenectady-Troy, NY);
- MSA 1280 (Buffalo-Niagara Falls, NY);
- MSA 6840 (Rochester, NY); and
- MSA 8160 (Syracuse, NY).

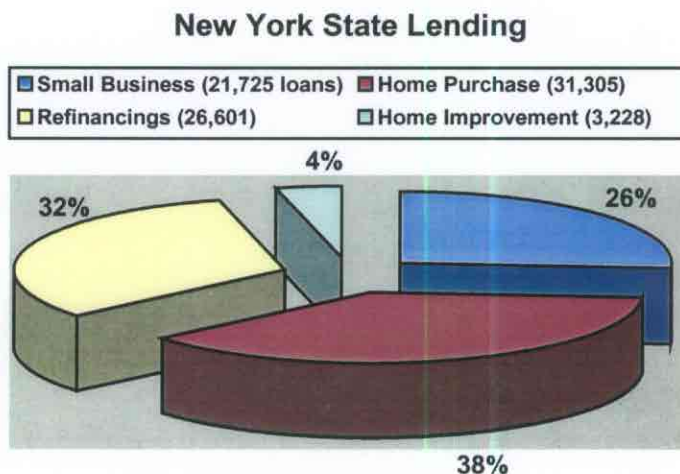
Full scope assessment areas in New York were chosen based on their significance in terms of the number of loans, branches and deposits. The bank's performance in CMSA 5602 received the highest weight in the New York State rating as the CMSA contains 48% of the bank's total loans, 48% of the branches, and 63% of the bank's deposits in the combined New York assessment areas. The combined Albany, Buffalo, Rochester and Syracuse MSAs contain 42% of the bank's total loans, 37% of the bank's branches, and 31% of the bank's total deposits in the combined New York assessment areas.

Limited reviews were conducted for the other New York State assessment areas listed on page BB3.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK STATE

As it has a significant portion of HSBC's operations, this state is weighted heavily in the bank's overall CRA performance. The bank operated 97% of its branches containing 97% of its branch deposits in the combined New York assessment areas. In addition, of the bank's four state assessment areas, HSBC originated its highest number of small business and small farm loans (96%) in the combined New York assessment areas. Of total HMDA-related lending, the bank originated 89% of its home purchase loans, 79% of its refinancings, and 99% of its home improvement loans in the combined New York assessment areas.

Of all full scope assessment areas reviewed, the combined New York assessment areas had approximately 88% of the bank's lending. In New York, the bank stressed home purchase and refinance lending. Other loan products represented lower levels of lending there. For the New York full scope assessment areas reviewed, the chart at right depicts the percentage of lending by type of loan product for 2001 and 2002. Not shown are HSBC's 257 multifamily loans originated in its combined New York assessment areas, primarily in CMSA 5602.



CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

LENDING TEST

HSBC performance under the lending test is rated "outstanding." The facts and data used to evaluate the bank's performance in all its assessment areas are shown in the tables in Appendix D, beginning on page BB86. Lending activity is depicted in New York Table 1, geographic distribution in New York Tables 2-7, and borrower characteristics are depicted in New York Tables 8-12.

Lending Activity: Lending activity reflected excellent responsiveness to assessment area credit needs in relation to the bank's capacity and performance context issues. Approximately 48% of total loan activity in the state was in CMSA 5602.

HSBC and its mortgage affiliate originated and purchased 92,923 loans during the examination period, totaling approximately \$13 billion. In New York, 73% of the number of loans and 81% of the dollar volume of loans were HMDA-related.

Geographic Distribution of Lending: The overall geographic distribution of HMDA-related and small business loans reflected good loan penetration in LMI geographies. This conclusion is based primarily on good performance in CMSA 5602, MSA 6840 (Rochester, NY) and MSA

8160 (Syracuse, NY). Distribution was adequate in MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 0160 (Albany-Schenectady-Troy, NY).

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was excellent based on outstanding performance in CMSA 5602 and good performance in MSA 0160, MSA 1280, MSA 6840 and MSA 8160.

Innovative and Flexible Lending Programs: HSBC's Community Works Program enhanced borrower distribution and geographic distribution in New York State. The program provides flexible lending criteria to borrowers with incomes below 80% of the HUD median family income. Properties in LMI or majority/minority census tracts that are linked with home purchase loans and refinancings are also eligible for the flexible underwriting under this program.

The bank's NY Rebuilding Program also enhanced borrower distribution and geographic distribution in New York State. This lending program for small businesses is open to any businesses affected by the September 11, 2001, terrorist attacks on the World Trade Center.

In addition, the bank's HOME 97 product offers flexible home purchase lending criteria to borrowers at or below the HUD median family income.

Community Development Loans: The level of community development lending was excellent, totaling \$593 million. Of the total, the New York State assessment areas benefited from four loans totaling \$16 million to a New York small business investment corporation that supported small business development statewide.

INVESTMENT TEST

HSBC's level of qualified investments was excellent, totaling nearly \$124 million. Most investments, \$72 million or 58%, were in CMSA 5602. Of this total, the New York State assessment area also benefited from 12 statewide investments totaling nearly \$49 million. Most of the investments to support affordable rental housing were LIHTCs, which are considered complex because of intricate accounting requirements.

SERVICE TEST

HSBC's outstanding rating under the service test is based on excellent performance in CMSA 5602, MSA 1280 (Buffalo-Niagara Falls, NY), and MSA 6840 (Rochester, NY). For branch details, see New York Table 15.

In New York State, the bank participates in the FHLB's First Home Club, an affordable housing program designed to help first-time LMI home buyers purchase a home. Assistance is provided in the form of matching funds based on the buyer's systematic savings in a dedicated savings account. HSBC's matching funds may be used for the down payment and/or closing costs. In 2002, 386 families in the state opened savings accounts under the First Home Club program.

METROPOLITAN AREA

(FULL REVIEW)

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

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated 196 branches, or 48% of all its New York State branches, in this assessment area. The bank's branches contain approximately \$24 billion in deposits, or 63% of the bank's total branch deposits in the state as of June 30, 2002.

PERFORMANCE CONTEXT

Demographic Characteristics

CMSA 5602 includes all of PMSA 5600 (New York, NY), PMSA 5380 (Nassau-Suffolk, NY), and PMSA 2281 (Dutchess County, NY), and the New York State portion of PMSA 5660 (Newburgh, NY-PA). According to the 1990 Census, the population of the bank's assessment area is approximately 12 million.

The largest concentration of the CMSA population, 8.2 million or 73%, is found in PMSA 5600 (New York, NY), followed by PMSA 5380 (Nassau-Suffolk, NY) with approximately 2.6 million. These two PMSAs make up nearly 95% of the population in the CMSA 5602 assessment area of the bank. The remaining 5% of the population is in PMSA 5660 (Newburgh, NY-PA) with 3% and PMSA 2281 (Dutchess County, NY) with 2%.

Thirty percent of the CMSA population, 3.4 million, resides in LMI geographies. The LMI geographies are concentrated in New York City, with the largest proportion in the Bronx. Of the assessment area's 3,214 census tracts, 864 or 27% are located in LMI geographies.

Income Characteristics

According to the 2000 Census, the median family income for the CMSA is \$60,254, and the incomes of 10.2% of families are below the poverty level. The New York PMSA has a significantly lower median family income (\$46,471) and a higher proportion of families below the poverty level (16.6%). In Bronx County, the median family income is \$30,682, and 28% of families are below the poverty level.

In New York City, New York County (Manhattan) has the highest median family income with \$50,229, according to the 2000 Census. The county, however, has a high poverty level of 17.6% of families. PMSA 5380 (Nassau-Suffolk, NY), an area with a wealthier family profile, has a median family income of \$76,430 and a poverty level of 3.7%.

EXHIBIT 3								
Assessment Area Demographics								
CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	325	10	288,049	10	124,463	43	656,035	23
Moderate-income	539	17	514,920	18	100,864	20	474,723	16
Middle-income	1280	39	1,189,723	41	74,600	6	597,924	21
Upper-income	987	31	915,759	31	26,817	3	1,179,769	40
NA	83	3	0	0	0	0	0	0
Total Assessment Area	3,214	100	2,908,451	100	326,744	11	2,908,451	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	423,288	23,784	1	6	377,431	89	22,073	5
Moderate-income	827,137	177,566	9	22	586,406	71	63,165	8
Middle-income	1,778,543	871,761	46	49	807,948	45	98,834	6
Upper-income	1,554,779	828,789	44	53	625,030	40	100,960	7
NA	1,366	79	0	6	912	67	375	28
Total Assessment Area	4,585,113	1,901,979	100	42	2,397,727	52	285,407	6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	25,838	5	21,131	5	2,827	5	1,880	6
Moderate-income	79,314	15	64,601	15	9,410	16	5,303	17
Middle-income	186,625	36	157,256	37	17,887	31	11,482	38
Upper-income	216,874	42	179,503	42	25,713	44	11,658	38
Tract not reported	8,707	2	5,991	1	2,314	4	402	1
Total Assessment Area	517,358	100	428,482	100	58,151	100	30,725	100
Percentage of Total Businesses:				83	11	6		

Low income and high poverty rates in New York City, particularly outside Manhattan, make it difficult for LMI families to afford homes, and economic development programs are needed. Community contacts cited local credit needs such as affordable housing and small business lending in the CMSA cities.

Housing Characteristics

Only 42% of the CMSA assessment area's 4.6 million housing units are owner-occupied, according to the 1990 Census. Only 11% of the homes in LMI geographies are owner-occupied, making rental housing the largest segment of the housing market. HMDA-related lending opportunities are therefore limited in this assessment area.

According to the New York State Association of Realtors, in July 2001 the median selling price for existing single-family homes in New York State is \$144,900, up from \$130,000 a year earlier. Higher values are found in the CMSA, particularly in the suburban areas of the assessment area and in Manhattan (New York County). In the CMSA, lower housing values are found in the other counties of New York City.

Despite September 11th and the subsequent recession, real estate prices in the New York metropolitan area continued their uptrend, with the largest increases in the suburbs closest to the city.

Most owner-occupied housing units in Manhattan are cooperative apartments (“co-ops”) or condominiums. According to a real estate broker’s study, the median sales price of Manhattan co-ops increased 7% from 2000 to 2001, bringing the average sales price to \$705,888. The average price of Manhattan condominiums increased 11.9% to \$1,039,586. Such prices would be prohibitive even to those earning significantly more than the median income.

Another broker reported that by the end of 2001, co-op prices in Brooklyn averaged \$295 thousand, a 28% increase since December 31, 2000. At the same time, average condo sale prices reached \$253 thousand, a 5% increase from the year before. In Queens, according to the Multiple Listing Service of Long Island, the median closing price of a single-family home as of December 2001 was close to \$240 thousand. For Westchester County, the New York State Association of Realtors reported a median sale price of \$455 thousand in July 2001 and in Nassau, \$285 thousand.

Throughout the assessment area, the sharp disparity between incomes and housing costs makes homeownership unaffordable for many families. The area needs affordable mortgage programs and development of rental properties that the LMI population can afford. Community contacts described a need for flexible lending programs and loans for affordable rental properties. They also stated that a lack of Section 8 certificates and other subsidies has hampered the construction of affordable housing for LMI families.

Labor, Employment and Economic Characteristics

During the examination period, the New York City economy receded from its historic expansion of the 1990s. Declines in the dot-com sector and stock market caused thousands of layoffs early in the examination period. September 11th intensified the decline as many lower Manhattan businesses, particularly those in the securities industry, moved to Westchester County, Long Island, New Jersey and Connecticut. The city comptroller has reported that New York City is in its worst recession since 1991 primarily because of the attacks on the World Trade Center (“WTC”) rather than the national economy.

The Century Foundation reported that 14,632 businesses in the area close to the WTC were destroyed, damaged or disrupted. Bronx, Kings, New York, Queens and Richmond Counties were declared disaster areas, allowing the U.S. Small Business Administration (“SBA”) to offer direct low-interest loans, some as low as 4%, to businesses and nonprofit organizations without credit available elsewhere. The number of loans originated was low, however, as many

merchants felt that their businesses might not survive, and applying for a loan would be too risky. Other merchants either did not have adequate credit history or collateral. The greatest need is for outright grant funds or loans with deferred repayment terms in excess of one year.

According to an economic impact study conducted by the Asian American Federation of New York, one of the hardest hit areas is Chinatown, which has about 4,000 businesses, mostly tourist-oriented. Only 237 of the businesses qualified for SBA loans largely because of inadequate credit history. Most of the Chinatown community consists of LMI census tracts.

Both the New York City and Long Island PMSAs have endured increased levels of unemployment. Because of job losses, particularly in New York City, community contacts have noted a need to focus on creating more business opportunities in LMI areas, which could create more jobs. Financial technical assistance is also needed for both small businesses and LMI families considering first-time homeownership.

September 11th also had serious consequences for the nonprofit community. City budget cutbacks have resulted in as much as a 15% decrease in funding from city agencies, which has predominantly impacted organizations providing human services. Organizations also lost funds from cancelled or scaled-back fundraisers and fewer donations. At the same time, many organizations face an increased demand for services, particularly those related to food supplies, job placement and retraining. Considering the adverse conditions, financial institutions have the opportunity to provide community development loan, investment and other services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 5602 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA)

LENDING TEST

HSBC's performance under the lending test is rating "outstanding."

Lending Activity: HSBC's lending activity reflected excellent responsiveness to credit needs in the CMSA assessment area, taking into account the number and dollar amount of HMDA-related loans (home purchase, refinance, home improvement and multifamily loans) and small business and small farm loans, as well as market presence, financial capacity and performance context.

For the examination period, HSBC and its mortgage company originated 44,424 HMDA-related, small business and small farm loans totaling approximately \$8.4 billion. Approximately 72% of the loans were HMDA-related. Of HMDA-related loans 53% were home purchase loans. Activity in the CMSA represented 40% of HMDA-related lending and 48% of small business and small farm lending at this examination.

The bank's CMSA market share for HMDA-related and small business lending was commensurate with deposit lending. For 2001 HSBC Mortgage ranked fourth in HMDA-related lending while the bank ranked tenth in small business lending. The bank ranked fourth in market share of deposits.

The CMSA assessment area contains 43% of the bank's total assessment area population, 46% of the branches, and 62% of the institution's total deposits. Of the total number and dollar amount of loans in all assessment areas, 42% and 52%, respectively, were originated in the CMSA.

Within the CMSA, 60% of all HMDA-related lending and 77% of all small business and farm lending was extended in PMSA 5600 (New York, NY). HSBC's participation in the multifamily market in support of financing for affordable housing units showed excellent responsiveness to LMI housing needs.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans reflected good penetration in the CMSA. Loan penetration was excellent in moderate-income geographies and good in low-income geographies.

Home Purchase Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of home purchase loans across geographies of different income levels reflected excellent penetration in both low- and moderate-income geographies. HSBC performed slightly below the aggregate in LMI geographies.

Home Improvement Loans

The overall distribution of home improvement lending was excellent when compared with the number of owner-occupied units in LMI geographies. Overall HSBC performance was slightly above the aggregate.

Refinance Loans

The overall distribution of refinance lending was good. While penetration in moderate-income geographies was good, such penetration was adequate in low-income geographies. The bank was outperformed in CMSA 5602 by the aggregate in both low- and moderate-income geographies.

Small Business Loans

The overall distribution of small business loans was excellent. The distribution of loans across low-income geographies reflected good penetration while distribution in moderate-income geographies was excellent. HSBC's level of small business lending in LMI geographies slightly exceeded the aggregate in CMSA 5602.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes in the area was excellent based on:

- An excellent level of HMDA-related lending to moderate-income borrowers given the high cost of housing relative to income levels in the area;

- Adequate lending to low-income borrowers in relation to the high cost of housing, which makes homeownership very difficult; and
- A good level of lending to businesses with gross annual revenues (“GAR”) of \$1 million or less.

HMDA Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC’s distribution of home purchase loans to moderate-income borrowers was excellent when compared with the number of moderate-income families in CMSA 5602. Home purchase lending exceeded aggregate lending to such borrowers.

Home Improvement Loans

Distribution of the bank’s home improvement lending to moderate-income borrowers was excellent when compared with the number of moderate-income families in the CMSA. Home improvement lending to moderate-income borrowers exceeded aggregate lending to such borrowers.

Refinance Loans

The bank’s refinance lending to moderate-income borrowers represented good distribution when compared with the number of moderate-income families in the CMSA. Refinancings to moderate-income borrowers were similar to the aggregate lending to such borrowers.

HMDA Lending to Low-income Borrowers

Home Purchase Loans

HSBC’s distribution of home purchase lending to low-income borrowers reflected adequate performance given the disproportionately high housing prices relative to incomes in the CMSA. Aggregate home purchase lending to low-income families also showed weak low-income penetration levels when compared with the percentage of low-income families in the CMSA.

Home Improvement Loans

The bank’s home improvement lending to low-income borrowers reflected good performance in the CMSA. Home improvement lending to low-income borrowers was significantly above the aggregate lending to such borrowers.

Refinance Lending

The bank’s refinance lending to low-income borrowers reflected adequate performance given the disproportionately high housing prices relative to incomes in the CMSA. Performance by both bank and aggregate was similarly low, reflecting the low level of homeownership among low-

income families and the propensity of such borrowers to have affordable mortgage products, thus reducing the need for a refinance loan.

Small Business Loans

The bank's small business lending reflected good performance in CMSA 5602 when compared with the number of businesses with GAR of \$1 million or less and the performance of the aggregate. Of the bank's total number of small business loans in the CMSA, 82% were for \$100 thousand or less, and loan size averaged \$27 thousand.

Community Development Lending: HSBC's level of community development lending in CMSA 5602 was excellent. The bank's community development loan originations of more than \$445 million were responsive to assessment area credit needs. For details, see the table at right.

Purpose	#	\$('000s)
Affordable Housing	73	303,285
Community Services	30	67,632
Economic Development	22	39,913
Revitalize and Stabilize	9	34,550
TOTALS	134	\$445,380

Of affordable housing loans, over \$78 million (26%) went directly to multifamily projects financing more than 3,700 housing units. Examples of community development loans included:

- A \$50 million participation in credit facilities to provide gap financing for LIHTC projects in New York City.
- Multiple loans totaling \$30 million to a major medical care provider in New York City; most of its patients are LMI.
- A \$27 million multifamily loan to a New York City apartment complex to finance 1,700 units of affordable housing.
- A \$3 million line of credit to a nonprofit organization to rehabilitate group homes for the developmentally disabled and disadvantaged children and young adults.

In addition, HSBC extended 11 community development letters of credit in the CMSA totaling nearly \$99 million.

INVESTMENT TEST

HSBC's investment performance in CMSA 5602 was excellent. The volume of qualified investments totaled nearly \$72 million, including more than \$30 million in new investments since the previous examination. Approximately 3%, or more than \$2 million, of investment activity involved grants to organizations promoting community development. For investment details, see New York Table 14.

The bank's qualified investment activity exhibited excellent responsiveness to assessment area credit needs, as detailed in the table on the following page. Examples of HSBC's qualified investments included:

- Various LIHTCs totaling more than \$51 million to support affordable housing development throughout the CMSA.
- A \$13 million investment in collateral trust notes to support affordable housing development.
- A \$1 million deposit in a federal savings bank in Harlem, which provides financial services to LMI individuals and families in New York City. This bank has been designated a community development financial institution (“CDFI”).

Purpose	#	\$('000s)
Affordable Housing	115	68,961
Community Services	14	75
Economic Development	50	2,316
Revitalize and Stabilize	27	358
TOTALS	206	\$71,710

Moreover, HSBC made extensive use of innovative and complex investments to support community development initiatives in the CMSA. HSBC invested in 15 LIHTC projects, which are considered complex because of intricate accounting requirements.

SERVICE TEST

HSBC’s outstanding performance under the service test in CMSA 5602 is based primarily on excellent delivery of retail services and high level of community development services.

Retail Services: Overall, delivery systems were readily accessible to geographies and individuals of different income levels in the CMSA. For details, see New York State Table 15. Of the 196 branches in the CMSA assessment area, 37 or 19% are located in LMI geographies. In addition, 40 branches in non-LMI geographies are located adjacent to LMI geographies and thus are accessible to persons in those geographies. Based on the bank’s branch locations in and adjacent to LMI geographies, such access favorably compared with the population level in LMI geographies.

Many banking alternatives are available in PMSA 5600 (New York, NY). Approximately 700 financial institutions operate in the PMSA, and many of them have their headquarters in the area.

HSBC’s alternative delivery systems did not significantly enhance the distribution of banking services throughout the CMSA assessment area. The bank maintained 189 ATMs at 98% of its branches; 21 ATMs are off-site. Seventeen percent of the ATMs were located in LMI census tracts. The branches adjacent to LMI geographies had 69 ATMs. Seven mortgage LPOs operated in the CMSA assessment area.

The bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems. One branch was opened in a moderate-income geography during the examination period. Six branches were closed, five of which resulted from branch consolidations, and two of the six were in LMI geographies.

Services and branch hours were tailored to the convenience and needs of the community. Approximately 74% of the branches provided extended hours on weekdays, with 19% of those in LMI census tracts. Saturday hours were maintained at 72% of the branches, with 63% in LMI

areas. Two branches in LMI areas were open on Sundays.

Community Development Services: HSBC provided an adequate level of community development services in CMSA 5602. The bank participated in seminars and workshops on affordable housing, predatory lending and small business tax credits. Several bank officers and employees served on boards and committees of community groups addressing the needs of LMI persons, LMI areas and small businesses.

Seventeen HSBC officers and employees provided community development-related technical services to local community groups. Technical services included service on the boards and committees of local community groups.

HSBC conducted eight home buyer seminars in the CMSA. Four seminars were joint efforts with nonprofit agencies, with three conducted in Spanish. The bank also gave a 15-hour teller training course to 12 tellers from several community development credit unions.

METROPOLITAN AREA

(FULL REVIEW)

MSA 1280 (BUFFALO-NIAGARA FALLS, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated 63 branches, or 15% of all its New York State branches, in this assessment area where the bank has its headquarters. As of June 30, 2002, the bank's branches contained approximately \$8 billion in deposits, which is 20% of the bank's total branch deposits in the state.

PERFORMANCE CONTEXT

Demographic Characteristics

This MSA consisting of Erie and Niagara Counties has a population of 1.2 million, or 7% of the total population in the bank's assessment area in the state, according to the 1990 Census. The MSA population decreased 1.6% between 1990 and 2000. Based on the 2000 Census, 15.8% of the MSA is 65 and older, a high proportion compared with 12.9% for New York State and 12.4% for the U.S. An aging population generally limits home purchase and refinance lending as many older people own their homes or live in senior citizen housing.

During the 1990s, the population of the city of Buffalo declined 11%, falling at a faster rate than the MSA's population decrease. For many decades, the trend has been city residents moving to the suburbs. Between 1950 and 2000, Buffalo's population plunged 50%, and the city went from being the 15th largest in the U.S. to the 59th largest.

Income Characteristics

According to the 2000 Census, the percentage of MSA families living below the poverty level is 9%, while in Buffalo the figure is 23%. More than two-thirds of the LMI census tracts in MSA 1280 (Buffalo-Niagara Falls, NY) are in Erie County, mainly within Buffalo city limits. The HUD-adjusted median family incomes for 2001 and 2002 are \$48,400 and \$50,800, respectively.

Housing Characteristics

Overall housing values are affordable in the MSA based on the 2000 Census, which puts the median value of a housing unit in the MSA at \$89,100. The median housing value for Buffalo is much lower at \$59,300.

According to the New York State Association of Realtors, the 2001 median sales price for housing in Erie County is \$87,500 and in Niagara County, \$77,675.

EXHIBIT 4								
Assessment Area Demographics								
MSA 1280 (Buffalo-Niagara Falls, NY)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	26	9	19,613	6	8,319	42	61,749	20
Moderate-income	56	19	49,353	16	10,138	21	57,372	18
Middle-income	144	50	162,724	51	8,682	5	75,770	24
Upper-income	59	20	84,010	27	1,962	2	120,809	38
NA	5	2	0	0	0	0	0	0
Total Assessment Area	290	100	315,700	100	29,101	9	315,700	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	40,461	9,572	3	24	23,831	59	7,058	17
Moderate-income	88,836	37,835	13	43	43,710	49	7,291	8
Middle-income	245,520	162,425	54	66	71,466	29	11,629	5
Upper-income	117,645	88,137	30	75	24,777	21	4,731	4
NA	54	0	0	0	50	93	4	7
Total Assessment Area	492,516	297,969	100	61	163,834	33	30,713	6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	2,079	4	1,674	4	261	6	144	5
Moderate-income	6,542	15	5,378	14	802	19	362	14
Middle-income	21,783	49	18,514	50	1,970	46	1,299	48
Upper-income	13,739	31	11,676	31	1,195	28	868	32
Tract not reported	285	1	231	1	36	1	18	1
Total Assessment Area	44,428	100	37,473	100	4,264	100	2,691	100
Percentage of Total Businesses:				84	10	6		

Owner-occupied housing units in the MSA increased approximately 4% between 1990 and 2000, but such units in Buffalo declined 9%. These figures reflect the migration of population out of the area and the resulting decline in HMDA-related lending opportunities in the MSA's LMI census tracts since 1990.

Most existing housing, particularly in Buffalo, predates 1940, and many neighborhoods in the city show signs of disinvestment. According to the 2000 Census, 86% of housing units in Buffalo were built in 1940 or before, indicating a need for home improvement loans. However, a community contact pointed out that the presence of lead in the old buildings and the declining value of housing have made it difficult to obtain financing for rehabilitation from prime lenders. The city will pay for demolition but not redevelopment. In cases where sufficient contiguous sites are demolished, nonprofit development organizations attempt to create new housing. Banks can

help by providing grants and supporting loan programs.

Labor, Employment and Economic Characteristics

In general, the upstate New York economy has been in decline as a result of lost manufacturing jobs. The Buffalo area has been the hardest hit because of the shrinking automobile and steel industries. Throughout the examination period, job losses in manufacturing were insufficiently offset by gains in other sectors.

The December 2002 unemployment rate in the Buffalo-Niagara Falls MSA is 15.8%. This jobless rate is generally in line with that of the U.S. and most other New York assessment areas (except for New York City in 2002). The jobless rates apparently stem more from population declines than increased job opportunities. The December 2001 unemployment rate in the city of Buffalo is 8.9%, further reflecting the city's weak economy and the need for economic development and loans to encourage small business growth.

In the city of Buffalo, the combination of negative factors pertaining to population, housing and economic conditions points to a strong need for economic development and revitalization to slow the deterioration, as noted by community contacts.

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

LENDING TEST

The bank's performance under the lending test is rated "high satisfactory."

Lending Activity: HSBC's lending activity reflected excellent responsiveness to credit needs in the MSA. During the examination period, the bank and its mortgage company originated 17,899 HMDA-related, small business and small farm loans totaling approximately \$1.7 billion. Approximately 74% of the loans were HMDA-related. Of HMDA-related loans, 50% were home purchase loans. HSBC had the largest market share for both HMDA-related and small business loans in the MSA. This level of lending is commensurate with the bank's ranking of first in deposit market share in the MSA.

The Buffalo-Niagara Falls MSA contains 4% of the bank's total assessment area population, 15% of branches, and 20% of the bank's total deposits. Of the total number and dollar amount of loans in all assessment areas, 17% and 10%, respectively, were originated in this MSA.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans reflected adequate loan penetration. Performance in low-income geographies was poor while performance in moderate-income geographies was adequate.

For conclusions regarding HSBC's HMDA-related performance, examiners considered Buffalo's long-term housing problems. An aging population, aging housing stock, and declining population

have all contributed to falling housing values and limited HMDA-related lending opportunities.

Home Purchase Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of home purchase loans reflected adequate penetration in LMI geographies. Such performance showed very poor penetration in low-income geographies and adequate penetration in moderate-income geographies. HSBC performed significantly below the aggregate in low-income geographies, but only slightly below the aggregate in moderate-income geographies.

Home Improvement Loans

The overall distribution of home improvement lending was good in LMI geographies. HSBC performed slightly below the aggregate in LMI geographies.

Refinance Loans

Compared with the level of owner-occupied housing units, the overall geographic distribution of refinancings was poor based on poor penetration in moderate-income geographies and very poor penetration in low-income geographies. HSBC performed significantly below the aggregate in LMI geographies.

Small Business Loans

The overall geographic distribution of small business loans in LMI geographies reflected excellent penetration. The bank's performance was slightly above the aggregate in moderate-income geographies and significantly above the aggregate in low-income geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on:

- An excellent level of HMDA-related lending to moderate-income borrowers; and
- An adequate level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was excellent when compared with the number of moderate-income families in the assessment area. Home purchase lending performance was slightly above the aggregate lending to such borrowers.

Home Improvement Loans

The bank's home improvement lending to moderate-income borrowers showed excellent

distribution when compared with the number of moderate-income families in the MSA. Home improvement lending to moderate-income borrowers was similar to the aggregate lending performance to such borrowers.

Refinance Loans

The bank's level of refinancings to moderate-income borrowers represented good distribution when compared with the number of moderate-income families in the MSA. The bank's performance was similar to the aggregate lending performance to such borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase lending to low-income borrowers exhibited adequate performance based on the number of low-income families in the MSA. Home purchase lending to low-income families was above the aggregate lending performance to such families.

Home Improvement Loans

The bank's home improvement lending to low-income borrowers reflected adequate performance in the MSA. Home improvement lending to low-income families was similar to the aggregate lending performance to such families.

Refinance Lending

The bank's refinancings to low-income borrowers reflected adequate performance given the number of low-income families in the MSA. HSBC's performance was below the aggregate. The difficulty of extending refinancings to low-income families is a result of low homeownership rates and the likelihood of such borrowers already having affordable mortgage products, thus reducing the need for refinance loans.

Small Business Loans

The bank's small business lending reflected adequate performance in the MSA when compared with the number of businesses with GAR of \$1 million or less. Bank performance exceeded the aggregate in the MSA. Of the bank's total number of small business loans in the MSA, 76% were for \$100 thousand or less, and loan size averaged \$26 thousand.

Community Development Lending: HSBC's amount of community development lending in the Buffalo MSA during the examination period was adequate. As shown in the table at right, the bank originated community development loans totaling over \$5.3 million in response to assessment area credit needs. Examples of

Purpose	#	\$('000s)
Affordable Housing	2	303
Community Services	20	4,890
Economic Development	1	120
TOTALS	23	\$5,313

HSBC's community development loans included:

- A commercial mortgage for over \$1 million to finance building improvements for an organization that provides day care, nutrition and counseling services to LMI individuals in Orchard Park, New York.
- A \$400 thousand line of credit to fund the working capital requirements of a health care provider serving LMI patients.
- A \$300 thousand line of credit to an organization in a moderate-income geography that tutors functionally illiterate individuals.

In addition, the bank extended two community development letters of credit totaling \$1 million.

INVESTMENT TEST

HSBC's investment performance in the Buffalo-Niagara Falls MSA was good. The bank's volume of qualified investments totaled over \$1 million, including nearly \$899 thousand in new investments made since the previous examination. For details, see New York Table 14 in Appendix D. Approximately 58% or \$671 thousand of investment activity involved grants to organizations that promote community development.

The bank's qualified investment activity exhibited good responsiveness to assessment area credit needs. For details, see the accompanying table. Examples of HSBC's qualified investments included:

Purpose	#	\$('000s)
Affordable Housing	26	391
Community Services	25	425
Economic Development	8	329
Revitalize and Stabilize	4	4
TOTALS	63	\$1,149

- A \$250 thousand investment in a small business investment company's fund targeting small businesses in the Buffalo area.
- A \$50 thousand grant to a financial intermediary that assists local community development corporations with affordable housing and economic development efforts.
- An investment of \$228 thousand by HSBC's own community development corporation to rehabilitate and sell four units of affordable housing in the MSA.
- Multiple in-kind grants totaling nearly \$145 thousand to Project Jumpstart at Riverside High School, located in a moderate-income geography.

SERVICE TEST

HSBC's performance under the service test in MSA 1280 (Buffalo-Niagara Falls, NY) is rated "outstanding."

Retail Services: The bank's delivery systems were readily accessible to geographies and individuals of different income levels in the MSA. For details, see New York Table 15. Of the

63 branches in the MSA assessment area, 17 or 27% are located in LMI geographies. This compared favorably with the population level in LMI geographies. In addition, 11 branches in non-LMI geographies were located adjacent to LMI geographies, accessible to persons in LMI geographies.

HSBC's alternative delivery systems did not significantly enhance the distribution of banking services throughout the MSA assessment area. The bank maintained 63 ATMs at 86% of its branches and 18 off-site ATMs. Twenty percent of the ATMs were located in LMI census tracts. The branches adjacent to LMI geographies maintained 11 ATMs. The bank operated two LPOs in the assessment area.

The bank's record of opening and closing branches did not adversely affect the accessibility of the bank's delivery systems, particularly to LMI geographies. One branch in a moderate-income geography was closed as a result of consolidation during the examination period.

Services and branch hours were tailored to the convenience and needs of the community. Approximately 81% of the branches provided extended hours on weekdays, with 39% of those in LMI census tracts. Saturday hours were maintained at 36% of the branches with 38% in LMI areas.

Community Development Services: HSBC provided a high level of community development services in the MSA. The bank participated in seminars and workshops on affordable housing, predatory lending and small business tax credits. Several HSBC officers and employees served on boards and committees of community groups assisting LMI persons, LMI areas and small businesses.

Thirty-two HSBC officers and employees provided community development-related technical services to local community groups. Technical services included service on the boards and committees of local community groups.

HSBC conducted seven home buyer seminars and six small business seminars in the Buffalo MSA during the examination period. The bank also sponsored seminars on anti-predatory lending, foreclosure prevention and bank accounts.

METROPOLITAN AREA

(FULL REVIEW)

MSA 6840 (ROCHESTER, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated 48 branches in this assessment area, representing 12% of all its New York State branches. As of June 30, 2002, the bank's branches had approximately \$2 billion in deposits, or 6% of the bank's total branch deposits in the state.

PERFORMANCE CONTEXT

Demographic Characteristics

The Rochester MSA portion of HSBC's assessment area consists of Monroe, Livingston, Wayne, Genesee and Orleans Counties, and a portion of Ontario County. The 2000 Census indicates that the MSA population increased almost 10% to 1.1 million. In addition, 12.9% of the MSA population is over 65, reducing lending opportunities as many senior citizens already own homes and generally do not need to refinance them.

The MSA as a whole has grown, but according to the 2000 Census, the city of Rochester's population declined 5% since 1990. This continued a long-term pattern of people moving from the city to the suburbs. Because of the growth and spread of the suburbs, Monroe County, in which Rochester is located, is the only large upstate county with significant growth in the decade, according to a local newspaper.

Income Characteristics

This is the most affluent MSA in upstate New York. Most of the LMI census tracts are located in Monroe County, primarily in Rochester. This city is significantly less wealthy than the rest of the MSA.

The 2000 Census shows that while the MSA has a median family income of \$53,609 and a family poverty level of 7.4%, Rochester has a median family income of \$31,257 and a poverty rate of 23.4%. These incomes limit opportunities for conventional mortgage financing and indicate a need for affordable housing with subsidized and flexible mortgage programs.

Housing Characteristics

Of all counties in the Rochester MSA, Ontario County has the highest median housing prices in 2001 and 2002, the New York State Association of Realtors has reported, while Orleans County had the lowest median housing prices for the same years. Ontario County's median housing

EXHIBIT 5
Assessment Area Demographics
MSA 6840 (Rochester, NY)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	32	13	14,903	6	6,035	41	50,067	19
Moderate-income	49	19	36,155	13	5,032	14	48,801	18
Middle-income	125	49	152,333	57	6,690	4	66,794	25
Upper-income	44	17	65,045	24	960	2	102,774	38
NA	5	2	0	0	0	0	0	0
Total Assessment Area	255	100	268,436	100	18,717	7	268,436	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	26,602	6,659	3	25	16,857	63	3,086	12
Moderate-income	64,003	32,503	12	51	27,169	42	4,331	7
Middle-income	231,205	154,086	59	67	63,749	28	13,370	6
Upper-income	86,963	68,230	26	78	15,726	18	3,007	4
NA	68	0	0	0	35	52	33	49
Total Assessment Area	408,841	261,478	100	64	123,536	30	23,827	6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2,432	5	2,061	5	270	7	101	4
Moderate-income	6,579	13	5,580	13	664	17	335	15
Middle-income	24,432	51	21,314	51	1,836	46	1,282	55
Upper-income	11,530	24	10,081	24	917	23	532	23
Tract not reported	3,285	7	2,946	7	260	7	79	3
Total Assessment Area	48,258	100	41,982	100	3,947	100	2,329	100
Percentage of Total Businesses:				87	8	5		

prices for 2001 and 2002 are \$110,000 and \$111,250, respectively, and Orleans County's are \$65,000 and \$64,900, respectively.

Based on 2000 Census data, the number of housing units in the assessment area increased to 409 thousand over the past decade. In the city of Rochester, the number of housing units declined slightly, and the number of owner-occupied housing units fell 13% between 1990 and 2000. Vacant housing units increased 43% during the decade and accounted for almost 11% of all housing units in 2000.

Housing stock in Rochester is old, dating back to the 1950s and, in LMI tracts, the 1940s. A community contact confirmed a dramatic increase in the number of vacant properties as a result of mortgage loan foreclosures. The contact noted the need for funding to rehabilitate the vacant

properties, many of which remain unoccupied for long periods and become a blight on neighborhoods. This indicates a decline in HMDA-related lending opportunities and a need for community development and home improvement lending to rehabilitate or replace vacant properties.

Labor, Employment and Economic Characteristics

Manufacturing has historically been a major component of the Rochester economy. According to the 1990 Census, manufacturing provided jobs to 27% of civilian employed persons. Almost 22 thousand manufacturing jobs were lost in the 1990s. The 2000 Census shows that manufacturing jobs account for 21% of the employed civilian population. Downsizing at Eastman Kodak, Xerox and Bausch & Lomb account for most the employment losses. These companies have been the primary drivers of the Rochester economy, and their cutbacks have facilitated a shift toward smaller service companies.

As the number of manufacturing jobs in this MSA declined, employment in the services sector climbed from 32% of total employment in 1990 to 44.5% by 2000. Within the services industry, educational, health and social services employ the largest proportion of the labor force, making up 24.8% of overall employment. Growth in computer software and telecommunications has been substantial in the past decade, but total job growth remains lower than the statewide average.

Despite its downsizing, Kodak remains Monroe County's largest employer. According to a local newspaper, the company employed as many as 61,000 county workers in 1982, but the total plunged to 23,900 by 2001. The next two largest employers in 2001 are the University of Rochester/Strong Memorial Hospital and Xerox Corporation.

Unemployment in the Rochester MSA increased during the examination period. According to the New York State Department of Labor, the unemployment levels in the city of Rochester reached 6% in 2000 and 8% in 2002. Unemployment levels in the MSA increased to 5.6% as of December 2002.

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

LENDING TEST

The bank's performance under the lending test is "outstanding."

Lending Activity: HSBC's lending activity reflected an excellent response to credit needs in the MSA. During the examination period, HSBC and its mortgage company originated 11,665 HMDA-related, small business and small farm loans totaling approximately \$1.1 billion. Approximately 78% of the loans were HMDA-related. Of HMDA-related loans, 50% were home purchase loans. HSBC ranked first in the MSA for market share in home purchase and home

improvement lending, third in refinancings, and fourth in small business lending. This ranking of lending compared favorably with the bank's market share ranking of third in deposits.

This MSA contains 4% of the bank's total assessment area population, 11% of HSBC branches, and 6% of deposits. Of the total number and dollar amount of loans in all assessment areas, 11% and 7%, respectively, were originated in this MSA.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans reflected good loan penetration. The bank performed adequately in low-income geographies and achieved good penetration in the moderate-income geographies.

Home Purchase Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of home purchase loans was good. The bank's performance reflected poor penetration in low-income geographies and good penetration in moderate-income geographies. HSBC performed slightly below the aggregate in both low- and moderate-income geographies.

Home Improvement Loans

The overall distribution of home improvement lending was excellent based on the bank's excellent performance in moderate-income geographies and good penetration in low-income geographies. The bank's performance was similar to the aggregate in both geographies.

Refinance Loans

The geographic distribution of refinance lending was adequate based on adequate performance in moderate-income geographies and very poor performance in low-income geographies. The bank performed slightly below the aggregate in both geographies.

Small Business Loans

The geographic distribution of small business loans was excellent in LMI geographies. The bank's performance exceeded the aggregate in moderate-income geographies and significantly exceeded the aggregate in low-income geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on:

- An excellent level of HMDA-related lending to moderate-income borrowers; and
- An adequate level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was excellent when compared with the number of moderate-income families in the assessment area. Home purchase lending exceeded aggregate lending to such borrowers.

Home Improvement Loans

The bank's home improvement lending to moderate-income borrowers exhibited excellent distribution when compared with the number of moderate-income families in the MSA. Home improvement lending to moderate-income borrowers was similar to the aggregate lending performance to such borrowers.

Refinance Loans

The bank's refinance lending to moderate-income borrowers represented excellent distribution when compared with the number of moderate-income families in the MSA. HSBC's refinance lending to moderate-income borrowers was similar to the aggregate lending performance to such borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

The bank's distribution of home purchase lending to low-income borrowers exhibited adequate performance based on the number of low-income families in the MSA. Home purchase lending to low-income families was similar to the aggregate lending performance to such families.

Home Improvement Loans

HSBC's home improvement lending to low-income borrowers reflected good performance in the MSA. Home improvement lending to low-income families was above the aggregate lending performance to these families.

Refinance Lending

The bank's refinancings to low-income borrowers reflected adequate performance given the difficulty in extending such loans to low-income families as a result of low homeownership levels because of high housing costs. Also, the likelihood that low-income homeowners already have affordable mortgage loans reduces the need for refinance loans. HSBC's performance was similar to the aggregate performance.

Small Business Loans

The bank's small business lending reflected adequate performance in the assessment area when compared with the number of businesses with GAR of \$1 million or less. Bank performance exceeded the aggregate in the MSA. Of the bank's total number of small business loans in the MSA, 76% were for \$100 thousand or less, and average loan size was \$29 thousand.

Community Development Lending: HSBC's level of community development lending in the

Purpose	#	\$('000s)
Affordable Housing	7	14,210
Community Services	20	12,081
Economic Development	2	335
TOTALS	29	\$26,626

Rochester MSA was excellent. During the examination period, the bank originated community development loans totaling \$27 million in response to assessment area credit needs. For details, see the table at left. Examples of the bank's community

development loans included:

- A \$10 million participation in a \$70 million loan to provide bridge financing for an LIHTC project constructing 12 new units of affordable housing.
- A \$3 million credit line to an organization addressing the educational and physical needs of disadvantaged and handicapped children and young adults.
- A \$2.5 million line of credit to a mental health treatment center with residential and nonresidential programs for LMI children and families.

In addition, the bank extended two community development letters of credit in the MSA totaling nearly \$5 million.

INVESTMENT TEST

HSBC's investment performance in MSA 6840 (Rochester, NY) was excellent. The bank's excellent volume of qualified investments totaled over \$1 million, including over \$1 million in new investments made since the previous examination. For details, see New York Table 14 in Appendix D. Approximately 19% or \$263 thousand of investment activity involved grants to organizations that promote community development.

The bank's qualified investment activity exhibited excellent responsiveness to assessment area credit needs, as detailed in the table at right. Examples of qualified investments included:

Purpose	#	\$('000s)
Affordable Housing	14	759
Community Services	13	119
Economic Development	9	427
Revitalize and Stabilize	2	51
TOTALS	38	\$1,356

- Approximately \$693 thousand invested by HSBC's own community development corporation to rehabilitate or construct nine units of affordable housing in the MSA.
- A \$250 thousand investment in a revolving loan fund that targets small businesses in LMI geographies.

- A \$100 thousand deposit in a local credit union that provides low-cost financial services to LMI families and geographies.

SERVICE TEST

HSBC's performance under the service test in the MSA is rated "outstanding."

Retail Services: The bank's delivery systems were readily accessible to geographies and individuals of different income levels in the MSA. For details, see New York Table 15. Of the 48 branches in the MSA assessment area, 13 or 27% are located in LMI geographies. This compared favorably with the population level in LMI geographies. Another 12 branches in non-LMI geographies are located adjacent to LMI geographies and thus are accessible to persons in LMI geographies.

HSBC's use of alternative delivery systems did not significantly enhance the distribution of banking services throughout the MSA assessment area. The bank maintained 54 ATMs at 92% of the branches, and 9 off-site ATMs. Nineteen percent of the ATMs were located in LMI census tracts. The branches adjacent to LMI geographies maintained 24 ATMs. The bank operated one mortgage LPO in the assessment area.

The bank's record of opening and closing branches did not adversely affect the accessibility of its delivery systems. During the examination period, three branches were closed as a result of consolidation; one in an LMI geography.

Services and branch hours were tailored to the convenience and needs of the community. Approximately 98% of the branches provided extended hours on weekdays, with 21% of those in LMI census tracts. Saturday hours were maintained at 69% of the branches with 6% in LMI areas.

Community Development Services: HSBC provided an adequate level of community development services in MSA 6840. The bank participated in seminars and workshops about affordable housing, predatory lending and small business tax credits. Several bank officers and employees served on boards and committees of community groups addressing the needs of LMI persons, LMI areas and small businesses.

Twenty-four HSBC officers and employees provided community development-related technical services to local community groups. Technical services included service on the boards and committees of local community groups.

During the examination period, the bank held two home buyer seminars and an anti-predatory lending seminar.

METROPOLITAN AREA

(FULL REVIEW)

MSA 8160 (SYRACUSE, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated 21 branches in this assessment area, representing 5% of all its branches in New York State. The bank's branches contained \$999 million in deposits, or 3% of the bank's total branch deposits in the state as of June 30, 2002.

PERFORMANCE CONTEXT

Demographic Characteristics

HSBC's assessment area includes Onondaga and Oswego Counties and portions of Cayuga and Madison Counties. According to the 2000 Census, the MSA population increased 11% to 732 thousand over the last ten years, but the city of Syracuse's population fell 10%. According to the 2000 Census, 13.3% of the MSA population is 65 years or older. Many senior citizens already own homes and do not need refinancings, or they reside in senior citizen housing complexes.

Income Characteristics

As the 2000 Census shows, the city of Syracuse is less wealthy than the rest of the MSA. The MSA's HUD-adjusted median family income for 2002 is \$50,300, while the city's median family income is \$33,026. The poverty level in Syracuse is also significantly higher than the MSA as a whole. In the MSA, 8.5% of families subsist below the poverty level while 21.7% of city families have incomes below the poverty level, according to the 2000 Census. These low incomes would indicate that many city residents are unable to afford homes without assistance.

Housing Characteristics

The 2002 median cost of housing in the MSA is \$86,400, according to the New York State Association of Realtors. The highest median sales prices of all Syracuse MSA counties for 2001 and 2002 are in Onondaga County and the lowest are in Cayuga County. Onondaga County's median housing prices for 2001 and 2002 are \$89,500 and \$91,700, respectively, and Cayuga County's are \$67,950 and \$67,800.

According to the 2000 Census, the number of owner-occupied housing units in the assessment area portion of the MSA increased 18% to 191 thousand units from 161 thousand a decade ago. In the city of Syracuse, however, the number of owner-occupied housing units dropped 10% during the decade to 24 thousand. The 2000 Census also reported that 35% of the housing units

EXHIBIT 6
Assessment Area Demographics
MSA 8160 (Syracuse, NY)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	17	9	7,054	4	2,880	41	32,023	18
Moderate-income	30	15	21,861	13	3,602	17	31,245	18
Middle-income	103	53	101,114	58	5,329	5	42,769	25
Upper-income	42	22	43,954	25	906	2	67,946	39
NA	1	1	0	0	0	0	0	0
Total Assessment Area	193	100	173,983	100	12,717	7	173,983	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	17,221	2,251	1	13	12,515	73	2,455	14
Moderate-income	43,545	15,198	9	35	23,762	55	4,585	11
Middle-income	154,431	103,588	62	67	38,175	25	12,668	8
Upper-income	60,851	46,204	28	76	11,348	19	3,299	5
NA	0	0	0	0	0	0	0	0
Total Assessment Area	276,048	167,241	100	61	85,800	31	23,007	8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	2,156	8	1,772	8	285	12	99	6
Moderate-income	3,691	13	3,125	13	377	15	189	12
Middle-income	15,560	55	13,334	55	1,303	53	923	58
Upper-income	6,733	24	5,858	24	483	20	392	24
Tract not reported	10	0	9	0	1	0	0	0
Total Assessment Area	28,150	100	24,098	100	2,449	100	1,603	100
Percentage of Total Businesses:				86	9	6		

are owner-occupied and 12.8% are vacant. These factors limits the demand for mortgage loans.

Community contacts pointed out that rental housing is in demand, and LMI residents have difficulty finding decent affordable rentals in Syracuse. High vacancy rates and poor management plague the rental market. More than half the housing on Syracuse's west side, for example, is rental and owned by absentee landlords. According to the contacts, landlords often allow the properties to deteriorate, leading residents to vacate the neighborhoods. And, indicating a need for home improvement loans, 64% of the housing units in Syracuse were built in 1949 or earlier, and 41% of MSA housing predates 1950, according to the 2000 Census.

Labor, Employment and Economic Characteristics

The service industry is the MSA's dominant industry, providing 44% of the employment in the bank's assessment area, according to the 2000 Census. Manufacturing is the second largest source of jobs, and retail trade, third.

During the current recession, employment has been strong in the MSA unlike the early 1990s when big job losses resulted from cutbacks at old-line manufacturers and military contractors, according to a local newspaper. The Greater Syracuse Chamber of Commerce lists the three largest employers in Onondaga County as the State University of New York's Upstate Medical Center, Syracuse University and the Wegmans supermarket chain. In the year ending June 2001, private sector employment grew .8% thanks to job growth in service, transportation, public utilities and retailing.

The Syracuse MSA's unemployment rate has declined slightly from 5.4% in January 2001 to 5.3% in December 2002. Unemployment rates in the city of Syracuse are higher than for other parts of the MSA. The Greater Syracuse Chamber of Commerce noted a 6.7% unemployment rate for 2001, which grew to 7.3% in 2002, indicating a need for economic development, particularly in the city.

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

LENDING TEST

The bank's performance under the lending test is "high satisfactory."

Lending Activity: HSBC's lending activity reflected good responsiveness to credit needs in the MSA. During the examination period, HSBC and its mortgage company originated 3,671 HMDA-related, small business and small farm loans totaling approximately \$340 million. Approximately 65% of the loans were HMDA-related. Of HMDA-related loans, 41% were home purchase loans. In 2001, HSBC had the fourth largest market share in HMDA-related lending and the eighth largest in small business lending while the bank ranked second in deposit market share.

The Syracuse MSA contains 2% of the bank's total assessment area population, 5% of branches, and 3% of the institution's total deposits. Of the total number and dollar amount of loans in all assessment areas, 3% and 2%, respectively, were originated in this MSA.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans reflected good loan penetration. The bank's performance was adequate in low-income geographies and good in moderate-income geographies.

Home Purchase Loans

Considering the number of owner-occupied housing units and performance context issues, the

overall geographic distribution of home purchase loans across geographies of different income levels reflected good penetration in both low- and moderate-income geographies. HSBC was above the aggregate performance in low-income geographies and similar to the aggregate performance in moderate-income geographies.

Home Improvement Loans

The overall distribution of home improvement lending was adequate based on adequate performance in moderate-income geographies and good performance in low-income geographies. The bank was below the aggregate performance in moderate-income geographies and was slightly above the aggregate performance in low-income geographies.

Refinance Loans

The geographic distribution of refinance lending was adequate based on adequate performance in moderate-income geographies and very poor performance in low-income geographies. In moderate-income geographies, the bank was slightly below the aggregate performance but was significantly below the aggregate performance in low-income geographies.

Small Business Loans

The overall geographic distribution of small business loans was excellent based on excellent penetration in moderate-income geographies and good penetration in low-income geographies. HSBC's performance was above the aggregate performance in moderate-income geographies. Bank performance was similar to the aggregate in low-income geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on:

- An excellent level of HMDA-related lending to moderate-income borrowers; and
- An adequate level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was excellent when compared with the number of moderate-income families in the MSA. Home purchase lending was similar to the aggregate lending performance to such borrowers.

Home Improvement Loans

The bank's home improvement lending to moderate-income borrowers exhibited good distribution when compared with the level of moderate-income families in the MSA. Home improvement lending to moderate-income borrowers was slightly below the aggregate lending

performance to such borrowers.

Refinance Loans

The bank's refinance lending to moderate-income borrowers represented good distribution when compared with the number of moderate-income families in the MSA. HSBC refinancings to moderate-income borrowers was similar to the aggregate lending performance to these borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

The bank's distribution of home purchase lending to low-income borrowers exhibited adequate performance compared with the number of low-income families in the MSA. Home purchase lending to low-income families was above the aggregate lending performance to such families.

Home Improvement Loans

HSBC's home improvement lending to low-income borrowers reflected adequate performance in the MSA. Home improvement lending to low-income families was above the aggregate lending performance to such families.

Refinance Lending

The bank's refinance lending to low-income borrowers reflected adequate performance given the difficulty in extending refinancings to low-income families because of low homeownership rates resulting from high housing costs. In addition, the likelihood of low-income homeowners already having affordable mortgage loan products reduces the need for refinance loans. HSBC's performance was similar to the aggregate in the MSA.

Small Business Loans

The bank's small business lending displayed adequate performance in the assessment area when compared with the number of businesses with GAR of \$1 million or less. Bank performance exceeded the aggregate in the MSA. Of the bank's total number of small business loans in the MSA, 72% were for loan amounts of \$100 thousand or less. Loan size averaged \$27 thousand.

Community Development Lending: The bank's level of community development lending in the Syracuse MSA was excellent. During the examination period, HSBC originated community development loans totaling over \$10 million in response to assessment area credit needs. For details, see the table at right. HSBC's community development lending included:

Purpose	#	\$('000s)
Affordable Housing	6	3,215
Community Services	2	600
Economic Development	1	2,700
Revitalize and Stabilize	2	3,800
TOTALS	11	\$10,315

- A \$2.7 million commercial mortgage on a multi-tenant medical office in a low-income census tract, which is also designated as an Economic Development Zone.
- A \$2 million loan to an electrical supply wholesaler located in an Economic Development Zone in Syracuse.
- A \$1.2 million commercial mortgage to provide 37 units of affordable student housing in an LMI geography.

INVESTMENT TEST

HSBC's investment performance in MSA 8160 (Syracuse, NY) was adequate. The bank distributed over \$92 thousand in new grants throughout the MSA to organizations promoting community development. For details, see New York Table 14 in Appendix D. As detailed in the accompanying chart, the bank's qualified investment activity exhibited good responsiveness to assessment area credit needs. Examples of HSBC's qualified investments included:

Purpose	#	\$('000s)
Affordable Housing	15	75
Community Services	2	6
Economic Development	1	10
Revitalize and Stabilize	1	1
TOTALS	19	\$92

- A \$5,000 grant to provide financial education programs for first-time LMI home buyers.
- A \$10,000 grant to a financial intermediary that lends to small farms.
- A \$5,000 grant to support a low-income rental program for LMI families.

SERVICE TEST

The bank's performance under the service test in the MSA is rated "outstanding."

Retail Services: HSBC's delivery systems were readily accessible to geographies and individuals of different income levels in MSA 8160. For branch details, see New York Table 15. Of the 21 branches in the MSA assessment area, 7 or 33% are located in LMI geographies. This compared favorably with the level of population in LMI geographies. None of the branches in non-LMI geographies are located adjacent to LMI geographies.

Alternative delivery systems did not significantly enhance the distribution of banking services throughout the MSA assessment area. The bank maintained 26 ATMs at 90% of the branches and 9 ATMs were off-site. Thirty percent of the ATMs were located in LMI census tracts. One LPO was maintained in the assessment area. No branches were opened or closed during the review period.

Services and branch hours were tailored to the convenience and needs of the community. Approximately 90% of the branches provided extended hours on weekdays, with 32% of those in

LMI census tracts. Saturday hours were maintained by 43% of the branches, of which 33% were in LMI areas.

Community Development Services: HSBC provided an adequate level of community development services in the MSA. The bank participated in seminars and workshops on affordable housing, predatory lending and small business tax credit. Several bank officers and employees served on boards and committees of community groups assisting LMI persons, LMI areas and small businesses.

Four HSBC employees provided community development-related technical services to local community groups. Technical services included service on the boards and committees of local community groups.

The bank held two home buyer seminars during the examination period.

METROPOLITAN AREA

(FULL REVIEW)

MSA 0160 (ALBANY-SCHENECTADY-TROY, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated 18 branches, or 2% of its New York State branches, in this assessment area. The bank's branches contain approximately \$611 million in deposits, or 2% of the bank's total branch deposits in the state as of June 30, 2002.

PERFORMANCE CONTEXT

Demographic Characteristics

Consisting of Saratoga and Schenectady Counties and portions of Albany, Montgomery and Rensselaer Counties, HSBC's assessment area in this MSA has a population of 787 thousand.

Income Characteristics

The HUD-adjusted median family incomes for 2001 and 2002 are \$53,000 and \$55,500, respectively. Approximately 6% of the families in the bank's assessment area subsist below the poverty level.

Housing Characteristics

Of all Albany MSA counties, Saratoga County has the highest median housing prices for 2001 and 2002, and Montgomery County has the lowest, according to the New York State Association of Realtors. Saratoga County's median housing prices for 2001 and 2002 are \$142,000 and \$159,900, respectively, and Montgomery County's are \$55,687 and \$60,000. The median age of the housing stock is 48 years, which equals the statewide median housing age.

Labor, Employment and Economic Characteristics

Over the last decade, the MSA lost manufacturing jobs and gained retail and wholesale trade jobs. Of a civilian labor force of 453 thousand in the MSA, 437 thousand were employed as of December 2002. The unemployment rate in the Albany MSA was 3.8% in January 2001 and 3.6% in December 2002, and has been lower than most of HSBC's New York State assessment area primarily because of stable employment from government and university sources.

EXHIBIT 7								
Assessment Area Demographics								
MSA 0160 (Albany-Schenectady-Troy, NY)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	8	4	5,526	3	1,829	33	34,301	17
Moderate-income	40	21	31,372	15	4,085	13	37,294	18
Middle-income	101	52	114,774	57	4,877	4	51,474	26
Upper-income	41	21	50,816	25	921	2	79,419	39
NA	3	2	0	0	0	0	0	0
Total Assessment Area	193	100	202,488	100	11,712	6	202,488	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	14,170	2,071	1	15	9,736	69	2,363	17
Moderate-income	61,258	23,353	12	38	29,934	49	7,971	13
Middle-income	179,499	112,452	59	63	56,083	31	10,964	6
Upper-income	73,330	53,201	28	73	16,707	23	3,422	5
NA	56	0	0	0	37	66	19	34
Total Assessment Area	328,313	191,077	100	58	112,497	34	24,739	8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	2,507	8	2,064	7	261	9	182	10
Moderate-income	4,793	15	4,080	15	440	15	273	15
Middle-income	16,818	51	14,434	52	1,426	49	958	52
Upper-income	8,482	26	7,298	26	767	27	417	22
Tract not reported	95	0	73	0	9	0	13	1
Total Assessment Area	32,695	100	27,949	100	2,903	100	1,843	100
Percentage of Total Businesses:				86	9	6		

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 0160 (ALBANY-SCHENECTADY-TROY, NY)

LENDING TEST

The bank's performance under the lending test is rated "high satisfactory."

Lending Activity: HSBC's lending activity reflected excellent responsiveness to credit needs in the MSA. During the examination period, HSBC and its mortgage company originated 5,449 HMDA-related, small business and small farm loans totaling approximately \$604 million. Approximately 82% of the loans were HMDA-related. Of HMDA-related loans 44% were home

purchase loans. In 2001, the bank had the seventh largest market share in HMDA-related and small business lending. HSBC ranked sixth in deposit market share.

This MSA contains 3% of the bank's total assessment area population, 4% of branches, and 2% of total deposits. Of the total number and dollar amount of loans in all assessment areas, 5% and 4%, respectively, were originated in this MSA.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans in MSA 0160 reflected adequate loan penetration. The distribution of loans in low-income geographies was poor, while loan penetration in moderate-income geographies was adequate.

Home Purchase Loans

Compared with the number of owner-occupied housing units, HSBC's overall geographic distribution of home purchase loans across geographies of different income levels reflected adequate penetration. The bank's lending penetration in moderate-income geographies was adequate while penetration was weak in low-income geographies. The aggregate outperformed HSBC in both low- and moderate-income geographies.

Home Improvement Loans

The overall distribution of home improvement lending was good based on excellent performance in moderate-income geographies and adequate performance in low-income geographies. The bank's performance was slightly below the aggregate in LMI geographies.

Refinance Loans

The overall distribution of refinance lending was poor based on poor performance in moderate-income geographies and very poor performance in low-income geographies. The aggregate outperformed the bank in LMI geographies.

Small Business Loans

The overall geographic distribution of small business loans was good. Performance in low-income geographies reflected excellent penetration while penetration in moderate-income geographies was good. The bank's performance was significantly above the aggregate in low-income geographies, but the bank's performance in moderate-income geographies was slightly below the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on:

- A good level of HMDA-related lending to moderate-income borrowers in the assessment area; and
- An adequate level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was excellent when compared with the number of moderate-income families in the assessment area. Home purchase lending was similar to aggregate lending to these borrowers.

Home Improvement Loans

The bank's home improvement lending to moderate-income borrowers exhibited excellent distribution when compared with the number of moderate-income families in the assessment area. Home improvement lending to moderate-income borrowers was similar to aggregate lending to such borrowers.

Refinance Loans

The bank's refinance lending to moderate-income borrowers represented adequate distribution when compared with the number of moderate-income families in the assessment area. The bank's refinance lending to moderate-income borrowers was slightly below aggregate lending.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase lending to low-income borrowers reflected adequate performance given the high housing costs in relation to income levels in the assessment area. Home purchase lending to low-income families was slightly below the aggregate lending to these families, which also showed weak penetration levels.

Home Improvement Loans

The bank's home improvement lending to low-income borrowers reflected good performance in the MSA. Home improvement lending to low-income families was above the aggregate lending to such families.

Refinance Lending

HSBC's refinance lending to low-income borrowers reflected adequate performance given the high housing costs in the MSA. The difficulty in extending refinancings to low-income families results from low homeownership levels and the propensity of such borrowers to already have affordable mortgage products, thus reducing the need for a refinance loan. The bank's performance was below the aggregate performance, which was similarly low compared with the percentage of low-income families.

Small Business Loans

The bank's small business lending reflected adequate performance in the MSA when compared with the number of businesses with GAR of \$1 million or less. The bank's performance exceeded the aggregate in the MSA. Of the bank's total number of small business loans in the MSA, 74% were for \$100 thousand or less, and the loan size averaged \$36 thousand.

Community Development Lending: The bank's level of community development lending in the Albany MSA was excellent. HSBC originated community development loans totaling over \$1 million that were responsive to assessment area credit needs, as detailed in the accompanying table. Examples of community development loans included:

Purpose	#	\$('000s)
Affordable Housing	1	514
Community Services	4	75
Economic Development	1	500
TOTALS	6	\$1,089

- A \$500 thousand term loan to capitalize a CDFI's loan fund. The fund provides technical assistance and encourages economic self-reliance for small businesses and micro-businesses, which are often economically and socially disadvantaged.
- A \$364 thousand participation to provide funding at fixed, below-market rates for qualifying LMI home purchasers and housing developers who will rent to LMI tenants.
- A \$150 thousand line of credit to be used as working capital for the rehabilitation and improvement of low-income housing pending receipt of grant funds.

INVESTMENT TEST

HSBC's investment performance in MSA 0160 (Albany-Schenectady-Troy, NY) was adequate. The bank's volume of qualified investments totaled \$195 thousand at this examination, which includes \$145 thousand in new grants distributed since the previous examination. For details, see New York Table 14. The bank's qualified investment activity exhibited good responsiveness to assessment area credit needs, as detailed in the table at right. Examples of qualified investments included:

Purpose	#	\$('000s)
Affordable Housing	12	55
Community Services	1	5
Economic Development	9	115
Revitalize and Stabilize	1	20
TOTALS	23	\$195

- A \$50 thousand equity investment in a small business revolving loan fund supporting economic development through micro-loans to small businesses.
- A \$20 thousand grant to establish and equip a computer lab in Amsterdam, New York, intended to assist low-income individuals by making the computers available to area residents.
- Multiple grants totaling \$25 thousand to a federally designated CDFI that works to meet the housing, community services and economic development credit needs of low-income and disadvantaged communities throughout the MSA.

SERVICE TEST

The bank's performance under the service test in MSA 0160 is rated "outstanding."

Retail Services: HSBC's delivery systems were readily accessible to geographies and individuals of different income levels in the MSA. For details, see New York Table 15. Of the 18 branches in the MSA assessment area, 5 or 28% are located in LMI geographies. This compared very favorably with the level of population in LMI geographies. None of the branches in non-LMI geographies are located adjacent to LMI geographies.

HSBC used alternative delivery systems that did not significantly enhance the distribution of banking services throughout the MSA assessment area. The bank maintained 22 ATMs at 83% of the branches. Twenty-three percent of the ATMs were located in LMI census tracts. The bank operated one LPO in the assessment area.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. A branch that closed during the examination period as a result of consolidation was in a middle-income geography adjacent to an LMI geography.

Services and branch hours were tailored to the convenience and needs of the community. Approximately 100% of the branches provided extended hours on weekdays, with 28% of those in LMI census tracts. Saturday hours were maintained by 50% of the branches, with 6% in LMI areas.

Community Development Services: HSBC provided an adequate level of community development services in the MSA. The bank participated in seminars and workshops about affordable housing, predatory lending and small business tax credits. Several HSBC officers and employees served on boards and committees of community groups assisting LMI persons, LMI areas and small businesses.

Fourteen HSBC officers and employees provided community development-related technical services to local community groups. Technical services included service on the boards and committees of local community groups.

METROPOLITAN AREAS

(LIMITED REVIEW)

MSA 0960 (BINGHAMTON, NY)

MSA 2335 (ELMIRA, NY)

MSA 2975 (GLENS FALLS, NY)

MSA 3610 (JAMESTOWN, NY)

MSA 8680 (UTICA-ROME, NY)

Facts and data reviewed, including performance and demographic information, can be found in the New York State tables in Appendix D. Conclusions regarding performance compared with the overall state rating, which was based on the full-scope assessment area performance, are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
MSA 0960	Consistent	Consistent	Consistent
MSA 2335	Consistent	Consistent	Consistent
MSA 2975	Below	Below	Below
MSA 3610	Below	Consistent	Consistent
MSA 8680	Below	Consistent	Consistent

NON-METROPOLITAN STATEWIDE AREAS

(LIMITED REVIEW)

NON-MSA GROUP 1

(Jefferson, Lewis, St. Lawrence, Franklin,
Clinton Counties; portions of Essex, Hamilton and Fulton Counties)

NON-MSA GROUP 2

(Portions of Otsego, Delaware, Sullivan, Ulster,
Greene and Columbia Counties)

NON-MSA GROUP 3

(Cortland, Tompkins, Schuyler Counties;
portions of Steuben and Chenango Counties)

NON-MSA GROUP 4

(Portions of Cattaraugus and Wyoming Counties)

Facts and data reviewed, including performance and demographic information, can be found in the New York State tables in Appendix D. Conclusions regarding performance compared with the overall state rating, which was based on the full-scope assessment area performance, are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
Non-MSA Group 1	Below	Consistent	Below
Non-MSA Group 2	Below	Consistent	Below
Non-MSA Group 3	Below	Consistent	Consistent
Non-MSA Group 4	Below	Consistent	Below

STATE OF PENNSYLVANIA

CRA RATING FOR PENNSYLVANIA: "SATISFACTORY."

The lending test is rated: Low satisfactory.

The investment test is rated: Low satisfactory.

The service test is rated: Low satisfactory.

Major factors supporting HSBC's Pennsylvania rating include:

- Adequate responsiveness to assessment area credit needs;
- Adequate geographic distribution of loans in the bank's assessment area;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- An adequate level of community development lending;
- An adequate level of qualified investments; and
- Reasonably accessible delivery systems for essentially all portions of the bank's assessment area.

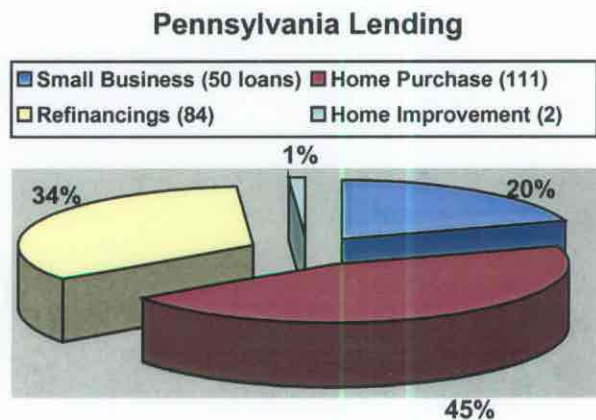
SCOPE OF EXAMINATION

The Pennsylvania rating was based on a single assessment area, PMSA 6160 (Philadelphia, PA-NJ), where a full scope analysis was conducted. As only two home improvement loans were made in the Pennsylvania assessment area between January 1, 2001, and December 31, 2002, no emphasis was placed on this type of lending for geographic distribution and borrower characteristics. For details, see the overall examination scope starting on page BB4.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PENNSYLVANIA

HSBC operated only two full-service branches in the Pennsylvania assessment area, representing less than 1% of all branches in the bank's combined assessment areas. One of the branches is located in Philadelphia, and the other is just outside the city in Delaware County. As of June 30, 2002, the Pennsylvania branches contained over \$85 million in deposits, or less than 1% of the bank's total branch deposits in its combined assessment areas.

Of all full scope assessment areas reviewed, the Pennsylvania assessment area had less than 1% of total loan activity. HSBC's lending in this assessment area focused on home purchase loans and refinancings as illustrated in the



“Pennsylvania Lending” pie chart on the previous page.

PERFORMANCE CONTEXT

Demographic Characteristics

Encompassing portions of Philadelphia, Delaware and Montgomery Counties, HSBC’s assessment area in PMSA 6160 has a total population of 1.2 million. In the city of Philadelphia, population dropped more than 4% between 1990 and 2000.

Income Characteristics

The 2002 HUD-adjusted median family income is \$63,300. Approximately 18% of the families in the bank’s assessment area subsist below the poverty level, and in Philadelphia the percentage is 20%.

Housing Characteristics

The 2002 median housing value in the assessment area according to the National Association of Realtors is \$146,100. The median age of the housing stock is 48 years, exceeding the state median housing age of 34 years.

Labor, Employment and Economic Characteristics

The increasingly diverse economy of the Philadelphia PMSA does not depend on any one industry or employer. Manufacturing was Philadelphia’s traditional economic base, but plant closings in recent years have resulted in a mainly service-oriented workforce, with health care as the most active segment of the economy. The services industry provides 33% of the jobs, while manufacturing accounts for less than 13% of PMSA employment. The largest employers are educational institutions, health care-related employers, government and finance/insurance. The University of Pennsylvania, Aramark Services Management, Temple University, Boeing Company and Merck & Company are major employers.

The PMSA’s economy has weakened recently, and job losses continue in certain industries. Business services, manufacturing and transportation are posting the largest declines. During the examination period, the unemployment rate in the Philadelphia PMSA increased from 4.1% in January 2001 to 5.0% in December 2002.

The negative economic and demographic trends in the PMSA have had significant consequences in many older neighborhoods. Fewer families have the means to repair and maintain their property. Although many LMI residents are able to acquire housing, they face declining property values and substandard conditions because they can’t afford basic maintenance.

Community contacts said the assessment area population needs home improvement loans, bilingual assistance from financial institutions, and financial counseling. In addition, LMI families need checking and savings accounts priced for their income levels, and area nonprofits

and community development organizations need operating funds.

EXHIBIT 8								
Assessment Area Demographics								
PMSA 6160 (Philadelphia, PA-NJ)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	76	26	73,121	25	28,754	39	101,995	36
Moderate-income	88	30	107,882	37	17,884	17	57,517	20
Middle-income	79	27	70,558	25	3,374	5	58,009	20
Upper-income	42	14	36,174	13	690	2	70,214	24
NA	11	3	0	0	0	0	0	0
Total Assessment Area	296	100	287,735	100	50,702	18	287,735	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	136,671	55,987	20	41	56,973	42	23,711	17
Moderate-income	185,287	112,102	40	61	53,306	29	19,879	11
Middle-income	124,359	71,864	26	58	44,447	36	8,048	7
Upper-income	72,580	39,987	14	55	26,395	36	6,198	9
NA	40	0	0	0	17	43	23	58
Total Assessment Area	518,937	279,940	100	54	181,138	35	57,859	11
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	7,866	19	6,798	19	642	15	426	19
Moderate-income	9,366	22	8,168	23	690	17	508	23
Middle-income	12,932	31	10,771	30	1,480	35	681	31
Upper-income	11,260	27	9,418	27	1,280	30	562	26
Tract not reported	503	1	345	1	135	3	23	1
Total Assessment Area	41,927	100	35,500	100	4,227	100	2,200	100
Percentage of Total Businesses:				85	10		5	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA

LENDING TEST

HSBC performance under the lending test is rated "low satisfactory." The facts and data used to evaluate the bank's performance in its assessment areas are shown in Appendix D beginning on page BB100. Lending activity is depicted in Pennsylvania Table 1, geographic distribution is depicted in Pennsylvania Tables 2-6, and borrower characteristics in Pennsylvania Tables 8-11.

Lending Activity: Lending activity reflected adequate responsiveness to assessment area credit needs in the assessment area, given that the bank has only two branches in PMSA 6160 .

During the examination period, HSBC and its mortgage affiliate originated and purchased 247 loans totaling approximately \$23 million. Volume declined since the previous examination period when the bank made 474 loans. HSBC's market share of HMDA-related and small business loans is not commensurate with the bank's deposit market share in the assessment area.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans was adequate. HSBC's loan penetration in low-income geographies was poor, and loan penetration in the moderate-income geographies was good.

Home Purchase Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of home purchase loans across geographies of different income levels reflected adequate penetration. The bank had very poor penetration in low-income geographies and excellent penetration in moderate-income geographies.

HSBC significantly underperformed the aggregate in low-income geographies but significantly outperformed the aggregate in moderate-income geographies.

Refinance Loans

The overall geographic distribution of refinancings was poor. Performance in LMI geographies reflected poor penetration and was below the aggregate performance in LMI geographies.

Small Business Loans

The overall geographic distribution of small business loans in LMI geographies reflected excellent penetration. In addition, HSBC's level of small business loans in these geographies was significantly above the aggregate in the PMSA.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on:

- An excellent level of HMDA-related lending to moderate-income borrowers;
- An adequate level of HMDA-related lending to low-income borrowers; and
- A good level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was excellent compared with the number of moderate-income families in the PMSA. Home purchase lending was above the aggregate lending performance to such borrowers.

Refinance Loans

The bank's refinance lending to moderate-income borrowers represented good distribution compared with the number of moderate-income families in the PMSA. Refinancings to moderate-income borrowers was slightly below the aggregate lending to such borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

The bank's distribution of home purchase lending to low-income borrowers was adequate based on the number of low-income families in the PMSA. Home purchase lending to low-income families was slightly below the aggregate lending performance to such families.

Refinance Lending

HSBC's refinance lending to low-income borrowers reflected poor performance given the number of low-income families in the PMSA. The bank's performance was below the aggregate. However, the aggregate penetration level reflected the difficulties in extending refinance loans to low-income families as a result of housing costs and availability of affordable mortgage products.

Small Business Loans

The bank's small business lending reflected good performance in the assessment area when compared with the number of businesses with GAR of \$1 million or less. HSBC's performance exceeded the aggregate in the PMSA. Of the bank's total number of small business loans in the PMSA, 86% were for \$100 thousand or less, with loan size averaging \$17 thousand.

Innovative and Flexible Lending Programs: The Community Works Program enhanced borrower distribution and geographic distribution of lending in Pennsylvania. The program provides flexible lending criteria to borrowers with incomes below 80% of the HUD median family income. Home purchase and refinance loans in connection with properties located in LMI or majority/minority census tracts are also eligible for the program's flexible underwriting.

The bank's HOME 97 product, which also offers flexible home purchase lending criteria to borrowers at or below the HUD median family income, enhanced borrower distribution in Pennsylvania.

Community Development Loans: In light of the bank's presence in Pennsylvania, the level of community development lending was adequate. Such lending was responsive to community

needs. The two community development loans were to a regional CDFI. The efforts of this financial intermediary have led to the creation of several jobs in LMI areas.

Purpose	#	\$('000s)
Economic Development	2	300
TOTALS	2	\$300

INVESTMENT TEST

HSBC's investment performance in PMSA 6160 was adequate. The bank's volume of qualified investments totaled \$187 thousand in new investments and grants at this examination. For details, see Pennsylvania Table 14. Approximately 6% or \$12 thousand of investment activity involved grants to organizations that promote community development.

Purpose	#	\$('000s)
Community Services	3	6
Economic Development	3	181
TOTALS	6	\$187

The bank's qualified investment activity exhibited adequate responsiveness to assessment area credit needs, as detailed in the table at left. Examples of qualified investments included:

- A \$100 thousand deposit in a community bank that provides financial products and services to unserved and underserved communities in the PMSA.
- A \$75 thousand deposit in a community development credit union that serves LMI individuals and LMI geographies.
- A \$6,000 grant to a "business incubator" organization that provides entrepreneurial training programs.

HSBC rarely uses innovative or complex investments in the Philadelphia assessment area.

SERVICE TEST

HSBC's performance under the service test is rated "high satisfactory."

Retail Services: The bank's branch delivery systems were accessible to geographies and individuals of different income levels in the assessment area when compared with the population level in LMI geographies. For details, see Pennsylvania Table 15. One of the bank's two branches was located in a low-income geography.

HSBC provided alternative delivery systems that did not significantly enhance accessibility in the PMSA. The bank operated one ATM and one LPO in Delaware County. No branches were opened or closed.

Products and services did not vary in a way that inconveniences certain portions of the assessment area, particularly in LMI geographies and to LMI individuals. The branch offered extended business hours on weekdays and Saturday hours.

Community Development Services: HSBC's level of community development services was limited in Pennsylvania. Most of the seminars involving the bank focused on small business and community development services. In May 2002, the bank conducted a credit seminar covering various topics including residential mortgages, consumer lending, small business lending and anti-predatory lending. Fundraising for a local community development corporation was another bank activity.

STATE OF FLORIDA

CRA RATING FOR FLORIDA: "SATISFACTORY."

The lending test is rated: High satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Low satisfactory.

Major factors supporting HSBC's Florida rating include:

- Adequate responsiveness to assessment area credit needs;
- Adequate geographic distribution of loans in the bank's assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Reasonably accessible delivery systems for essentially all portions of the bank's assessment areas.

SCOPE OF EXAMINATION

For the Florida rating, a full review was conducted for CMSA 4992 (Miami-Fort Lauderdale, FL) and a limited review for MSA 8960 (West Palm Beach-Boca Raton, FL). The state assessment area rating primarily reflects the performance in the CMSA as it contains 83% of the bank's total loans, 88% of the branches, and 96% of the deposits in HSBC's combined Florida assessment areas.

Within CMSA 4992, a slightly higher level of total lending, 51%, was extended in PMSA 2680 (Fort Lauderdale, FL) compared with total lending in PMSA 5000 (Miami, FL). The Fort Lauderdale PMSA therefore had slightly more weight in the conclusions regarding lending performance for the CMSA overall.

As only six home improvement loans were made in the CMSA 4992 assessment area between January 1, 2001, and December 31, 2002, no emphasis was placed on this type of lending for geographic distribution and borrower characteristics. For details, see the overall scope discussion starting on page BB4.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

HSBC operated eight full-service branches in the Florida assessment area, representing only 2% of all branches in the bank's combined assessment areas. Seven of the branches are located in CMSA 4992 (Miami-Fort Lauderdale, FL) while the eighth is in MSA 8960 (West Palm Beach-Boca Raton, FL). As of June 30, 2002, the Florida branches held \$501 million in deposits, or 1% of the bank's total branch deposits in its combined assessment areas. Within the CMSA, five of

the bank's branches and deposits totaling \$440 million are in PMSA 5000 (Miami, FL).

Of all full scope assessment areas reviewed, the CMSA 4992 (Miami-Fort Lauderdale, FL) assessment area had approximately 5% of total loan activity. HSBC's lending in the CMSA focused on home purchase loans and refinancings as illustrated in the chart at right.

PERFORMANCE CONTEXT

Demographic Characteristics

Consisting of PMSA 5000 (Miami, FL) and PMSA 2680 (Fort Lauderdale, FL), HSBC's assessment area in CMSA 4992 (Miami-Fort Lauderdale, FL) has a total population of 3.2 million. The densely populated Miami PMSA is Florida's largest metropolitan area. The 2000 Census shows a 16.3% population increase to 2.3 million as a result of immigration from Latin American and Caribbean nations as well as relocation from northern U.S. cities.

Located entirely within PMSA 5000, the city of Miami has approximately 20% of the PMSA population and 28% of PMSA census tracts. However, a disproportionately large portion of the city is categorized as LMI with 62% of the PMSA's LMI census tracts. The population of the Fort Lauderdale PMSA also expanded between the 1990 and 2000 Census, posting a 23% increase from 1.3 million to 1.6 million.

Income Characteristics

The 2002 HUD-adjusted median family incomes are \$48,200 in Miami PMSA 5000 and \$60,200 in Fort Lauderdale PMSA 2680. According to the 2000 Census, Miami-Dade County has a high poverty rate with 18% of the population living below the poverty level. Broward County, which includes the city of Fort Lauderdale, has a 12% poverty rate.

Housing Characteristics

Of the 1.4 million housing units in the assessment area, 736 thousand units or 53% are owner-occupied. The median age of the housing stock is 48 years, which exceeds the state median housing age of 33 years.

Housing costs in PMSA 5000 are high. The 2002 median sales price for a home here is \$187,800, according to the National Association of Realtors. In light of comparisons between 2001-2002 housing prices and income levels, unsubsidized purchase of an average single-family residence is beyond the financial means of many LMI individuals. Housing costs in the Fort Lauderdale PMSA are also high in relation to incomes. The 2002 median sales price for a home in PMSA 2680 is \$197,000.

Florida Lending

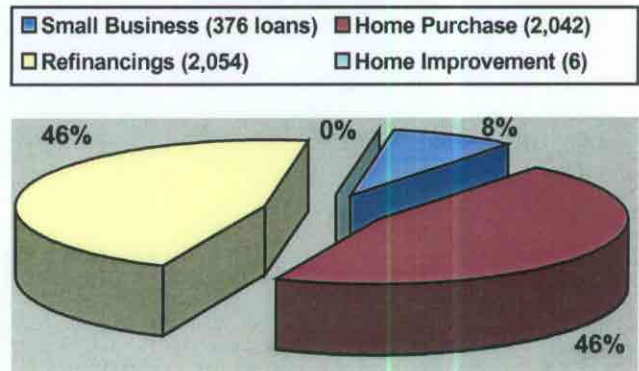


EXHIBIT 9
Assessment Area Demographics
CMSA 4992 (Miami-Fort Lauderdale, FL)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	45	10	46,472	6	18,935	41	179,368	22
Moderate-income	89	21	147,203	18	29,628	20	141,195	17
Middle-income	173	40	382,424	46	33,512	9	169,050	21
Upper-income	117	27	246,398	30	10,634	4	332,884	40
NA	7	2	0	0	0	0	0	0
Total Assessment Area	431	100	822,497	100	92,709	11	822,497	100
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	87,141	16,246	2	19	59,799	69	11,096	13
Moderate-income	261,311	100,113	14	38	128,767	49	32,431	12
Middle-income	643,814	365,168	50	57	200,111	31	78,535	12
Upper-income	407,665	254,049	34	62	96,527	24	57,089	14
NA	17	17	0	100	0	0	0	0
Total Assessment Area	1,399,948	735,593	100	53	485,204	35	179,151	13
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	14,590	8	11,807	8	1,777	10	1,006	9
Moderate-income	31,093	17	25,139	17	3,835	21	2,119	18
Middle-income	70,438	40	59,828	40	5,949	33	4,661	40
Upper-income	61,625	35	51,297	35	6,437	36	3,891	33
Tract not reported	12	0	11	0	0	0	1	0
Total Assessment Area	177,758	100	148,082	100	17,998	100	11,678	100
Percentage of Total Businesses:				83	10	7		

Labor, Employment and Economic Characteristics

Unemployment levels in the Miami and Fort Lauderdale PMSAs increased during the examination period. The Miami PMSA's unemployment rate increased from 6.2% in January 2001 to 6.8% in December 2002. The Fort Lauderdale PMSA's jobless rate increased from 4.1% in January 2001 to 5.5% in December 2002.

Major industries contributing to the Miami PMSA's diverse economy include real estate development, tourism, banking, and businesses involved in trade with Latin America. The area has many service businesses, and in the extreme southern portion of the PMSA, agriculture is a major industry.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

HSBC's performance under the lending test is rated "high satisfactory." The facts and data used to evaluate the bank's performance in all its assessment areas are shown in the Appendix D tables starting on page BB104. Lending activity is depicted in Florida Table 1, geographic distribution is depicted in Florida Tables 2-7, and borrower characteristics are depicted in Florida Tables 8-11.

Lending Activity: Lending activity reflected adequate responsiveness to assessment area credit needs. Approximately 83% of total loan activity in the state was in CMSA 4992.

During the examination period, HSBC and its mortgage affiliate originated and purchased 5,398 loans totaling approximately \$810 million in the state of Florida. Of these totals, 92% of the number of loans and 95% of the dollar volume were HMDA-related. Activity in the Florida state assessment area represented 6% of all HMDA-related lending and 2% of all small business and small farm lending. Of HMDA-related loans in Florida, 49% were home purchase loans.

Although HMDA-related volume increased substantially since the previous examination period, the bank extended no home improvement loans and a limited number of small business loans.

HSBC's lending activity reflected adequate responsiveness to credit needs in the CMSA 4992 assessment area, taking into account the number and dollar amount of HMDA-related, small business and small farm loans as well as market presence, financial capacity and performance context.

During the examination period, HSBC and its mortgage company originated 4,479 HMDA-related, small business and small farm loans totaling approximately \$646 million. Approximately 92% of the loans were HMDA-related. Of HMDA-related loans, half were home purchase loans and the other half refinancings. HSBC's market share for both types of HMDA-related loans exceeded its deposit market share while its market share for small business loans was weaker in comparison.

Within the CMSA, the majority of HMDA-related lending (53%) took place in PMSA 2680 (Fort Lauderdale, FL) while the majority of small business and small farm lending (69%) was in PMSA 5000 (Miami, FL) where the bank has a larger branch and deposit presence. HSBC's performance in terms of lending activity in both MSAs was adequate.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business loans in Florida was adequate. The bank's performance reflected poor loan penetration in low-income geographies and adequate loan penetration in moderate-income geographies.

Home Purchase Loans

Based on the number of owner-occupied housing units, the overall geographic distribution of

home purchase loans across geographies of different income levels reflected adequate penetration in LMI geographies. While the bank had adequate LMI penetration in the Miami PMSA, performance varied in the Fort Lauderdale PMSA. In the Fort Lauderdale PMSA, the bank had adequate penetration in moderate-income geographies but weak penetration in low-income geographies. HSBC was below the aggregate performance throughout the CMSA.

Refinance Loans

Compared with the total number of owner-occupied housing units, overall geographic distribution of refinancings across geographies of different income levels reflected poor penetration in LMI geographies. The bank's performance was particularly weak in the Fort Lauderdale PMSA. In both low- and moderate-income geographies, the bank was below the aggregate performance.

Small Business Loans

The overall geographic distribution of small business loans in LMI geographies reflected good penetration, with good penetration in moderate-income geographies and excellent penetration in low-income geographies. HSBC's performance exceeded the aggregate performance in the CMSA's LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. This performance included:

- A good level of HMDA-related lending to moderate-income borrowers;
- An adequate level of HMDA-related lending to low-income borrowers; and
- A good level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was excellent when compared with the level of moderate-income families in the CMSA. Home purchase lending was similar to aggregate lending to such borrowers.

Refinance Loans

The bank's refinance lending to moderate-income borrowers represented good distribution when compared with the number of moderate-income families in the CMSA. The bank's refinance lending to moderate-income borrowers was similar to aggregate lending to such borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

The bank's distribution of home purchase lending to low-income borrowers exhibited adequate performance considering the high cost of housing relative to incomes in the Miami and Fort Lauderdale areas. Home purchase lending to low-income families was slightly above the aggregate lending performance to such families.

Refinance Lending

The bank's refinance lending to low-income borrowers reflected adequate performance given the difficulty in extending refinancings to low-income borrowers as noted throughout this Performance Evaluation. The bank's performance was similar to the aggregate performance in the CMSA.

Small Business Loans

The bank's small business lending reflected good performance in the CMSA when compared with the number of businesses with GAR of \$1 million or less. Bank performance exceeded the aggregate in the CMSA. Of the bank's total number of small business loans in the CMSA, 84% were for \$100 thousand or less, and loan size averaged \$30 thousand.

Innovative and Flexible Lending Programs: The Community Works Program, which provides flexible lending criteria to borrowers earning below 80% of the HUD median family income, enhanced borrower and geographic distribution in Florida. Home purchase loans and refinancings linked with properties in LMI or majority/minority census tracts are also eligible for the program's flexible underwriting.

HSBC's HOME 97 product, which offers flexible home purchase lending criteria to borrowers with incomes at or below the HUD median family income, enhanced borrower distribution in Florida.

Community Development Loans: In light of the bank's presence in Florida, the level of community development lending was excellent, totaling nearly \$31 million. Half of the bank's such lending involved a \$15 million loan to a statewide affordable housing loan pool.

In CMSA 4992, community development lending was responsive to community needs. For details, see the table at right. Within the CMSA, all the community development loans were extended in PMSA 5000 (Miami, FL). Examples of HSBC's community development loans included:

Purpose	#	\$('000s)
Affordable Housing	6	5,925
Community Services	3	1,236
Revitalize and Stabilize	2	8,625
TOTALS	11	\$15,786

- A \$4 million multifamily loan to support 150 units of affordable housing in Carol City, Florida.

- A loan of over \$5 million to a theme park located in an enterprise zone that will create jobs for LMI individuals.
- A line of credit of nearly \$1 million to support 19 units of affordable housing in Miami for LMI individuals.
- Multiple loans totaling over \$1 million to an organization that provides transitional services and job training to homeless individuals.

INVESTMENT TEST

HSBC's investment performance in CMSA 4992 was excellent. The bank's excellent volume of new qualified investments totaled over \$1 million at this examination. For details, see Florida Table 14. Approximately 5% or nearly \$58 thousand of investment activity involved grants to organizations promoting community development.

The bank's qualified investment activity exhibited excellent responsiveness to assessment area credit needs. For details, see the table at right. Examples of HSBC's qualified investments included:

Purpose	#	\$('000s)
Affordable Housing	7	1,247
Economic Development	1	1
Revitalize and Stabilize	1	10
TOTALS	9	\$1,258

- A \$1 million investment in an LIHTC project to support affordable housing development throughout the CMSA. This investment is considered complex because of its intricate accounting requirements.
- Various grants totaling \$11 thousand to a developer of low-income owner-occupied housing and affordable rental housing.

SERVICE TEST

HSBC's rating under the service test is "low satisfactory."

Retail Services: The bank's branch delivery systems were reasonably accessible to geographies and individuals of different income levels in the assessment area when compared with the population in LMI geographies. One bank branch (14% of the total) was located in a low-income geography, which compared adequately with the population in the LMI geographies. For details, see Florida Table 15.

HSBC provided some alternative delivery systems in the CMSA. All seven of its branches have at least one ATM. The bank also maintained two mortgage LPOs in the CMSA assessment area.

The bank's record of opening and closing branches did not adversely affect the accessibility of its delivery systems. During the review period, one branch was opened in a middle-income tract in PMSA 5000 (Miami, FL).

Products and services did not vary in a way that inconveniences certain portions of the assessment area, particularly in LMI geographies and to LMI individuals. Branches provided extended business hours on weekdays.

Community Development Services: HSBC provided an adequate level of community development services in the Florida CMSA. The bank focused on initiatives concerning affordable housing, community development and small business.

An HSBC officer held four positions on the boards and advisory committees of local affordable housing development organizations.

The bank conducted five home buyer seminars in the Fort Lauderdale area, as well as orientation training for 15 individuals from grassroots organizations about to join the boards of nonprofit organizations.

HSBC also organized workshops to train community groups. In May 2002, the bank sponsored a three-day workshop about single-family mortgage underwriting for 17 community development groups. The next month, an additional 17 community groups attended a three-day workshop on commercial loan underwriting. In September 2002, the bank hosted a workshop on behalf of a local community development organization regarding board governance responsibilities under Florida state law.

METROPOLITAN AREA

(LIMITED REVIEW)

MSA 8960 (WEST PALM BEACH-BOCA RATON, FL)

Facts and data reviewed, including performance and demographic information, can be found in the Florida tables in Appendix D. The conclusion regarding performance compared with the overall state rating, which was based on the full scope assessment area performance, is as follows:

Assessment Area	Lending Test	Investment Test	Service Test
MSA 8960	Below	Below	Below

STATE OF CALIFORNIA

CRA RATING FOR CALIFORNIA: "SATISFACTORY."

The lending test is rated: Low satisfactory.

The investment test is rated: Low satisfactory.

The service test is rated: Low satisfactory.

Major factors supporting HSBC's California rating include:

- Good responsiveness to assessment area credit needs;
- Adequate geographic distribution of loans in the bank's assessment areas;
- Adequate distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An adequate level of qualified investments; and
- Delivery systems reasonably accessible to essentially all portions of the bank's assessment areas.

SCOPE OF EXAMINATION

For the California rating, full reviews were conducted for CMSA 7362 (San Francisco-Oakland-San Jose, CA) and CMSA 4472 (Los Angeles-Riverside-Orange Counties, CA). The assessment area rating primarily reflected the performance in CMSA 7362 as the CMSA contained 70% of the bank's total number of loans and 82% of deposits in the combined California assessment areas. HSBC's four California branches are evenly divided between the two CMSAs.

As only one home improvement loan was made in the combined California assessment areas between January 1, 2001, and December 31, 2002, no emphasis was placed on this type of lending for geographic distribution and borrower characteristics. Similarly, HSBC extended only 48 small business loans in the San Francisco CMSA assessment area in the same period, so examiners placed little emphasis on this type of lending for geographic distribution and borrower characteristics in this portion of HSBC's combined California assessment areas.

Republic Bank, which HSBC acquired to establish a presence in the California market, did not previously market small business lending product. HSBC management indicated that its California branches are making the transition from private banking to full-service branches that will emphasize small business lending in the future. For details of examination scope, see the overall discussion beginning on page BB4.

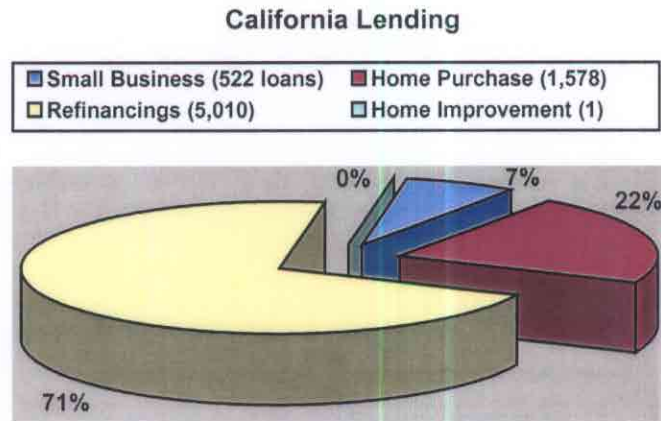
DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

HSBC's four branches in its California assessment area are only 1% of the bank's total number of branches. Of the four branches, two were located in the San Francisco CMSA and two in the

Los Angeles CMSA. As of June 30, 2002, the California branches contained approximately \$406 million in deposits, or 1% of the bank's total deposits. Activity in the California assessment area represented 8% of all HMDA-related lending and 2% of all small business and small farm lending.

Of all full scope assessment areas reviewed, CMSA 7362 (San Francisco-Oakland-San Jose, CA) had approximately 5% of total loan activity while CMSA 4472 (Los Angeles-Riverside-Orange Counties, CA) had approximately 2% of total loan activity.

In both CMSA markets, HSBC focused mainly on refinance and home purchase lending, with other loan products representing a much smaller volume of lending, as illustrated in the chart at right.



CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

HSBC performance under the lending test is rated "low satisfactory." The facts and data used to evaluate the bank's performance in all its assessment areas are shown in the tables in Appendix D beginning on page BB111. Lending activity is depicted in California Table 1, geographic distribution is depicted in California Tables 2-6, and borrower characteristics are depicted in California Tables 8-11.

Lending Activity: Lending activity reflected good responsiveness to assessment area credit needs. Approximately 70% of total loan activity in the state was in CMSA 7362 (San Francisco-Oakland-San Jose, CA), and the remaining 30% was in CMSA 4472 (Los Angeles-Riverside-Orange, CA).

During the examination period, HSBC and its mortgage affiliate originated and purchased 7,110 loans totaling approximately \$2.4 billion. In California, 93% of the number of loans and 99% of the dollar volume were HMDA-related. Of HMDA-related loans in California, 24% were home purchase loans and 76% were refinancings.

Geographic Distribution: The overall geographic distribution of HMDA-related and small business lending in California was adequate, primarily reflecting adequate performance in CMSA 7362 (San Francisco-Oakland-San Jose, CA).

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was

adequate, primarily reflecting adequate performance in CMSA 7362, while performance in CMSA 4472 was poor.

Community Development Loans: Community development lending activity was excellent, totaling over \$4 million. HSBC lent a total of approximately \$3 million to a community development corporation, creating more than 1,800 units of affordable housing in the bank's Los Angeles and San Francisco assessment areas and elsewhere throughout California. Most of the bank's community development lending was in CMSA 4472.

INVESTMENT TEST

The bank's level of qualified investments was adequate, totaling \$651 thousand. Most investments were in CMSA 4472 (Los Angeles-Riverside-Orange Counties, CA). Both CMSA 4472 and CMSA 7362 (San Francisco-Oakland-San Jose, CA) benefited from a \$500 thousand investment in an LIHTC that funds projects throughout the state. This investment is considered complex because of its intricate accounting requirements. For details, see California Table 14.

SERVICE TEST

HSBC's performance under the service test is rated "low satisfactory." Service delivery systems in the Los Angeles CMSA were inaccessible to significant portions of the bank's assessment areas, particularly LMI geographies and LMI individuals. Service delivery systems in the San Francisco CMSA were accessible to LMI geographies and LMI individuals. For details, see California Table 15.

METROPOLITAN AREA

(FULL REVIEW)

CMSA 7362 (SAN FRANCISCO-OAKLAND-SAN JOSE, CA)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated two branches (half of all its California branches) in this assessment area. As of June 30, 2002, the bank's branches held approximately \$334 million in deposits, or 82% of the bank's total branch deposits in the state. HSBC management said the San Francisco branch operates as a private bank with limited retail capabilities. The bank's Oakland branch is located in the Chinatown section of the city.

PERFORMANCE CONTEXT

Demographic Characteristics

Consisting of PMSA 7360 (San Francisco-Marin-San Jose, CA) and a portion of PMSA 5775 (Oakland, CA), HSBC's assessment area in CMSA 7362 has a total population of 2.8 million.

Income Characteristics

The 2002 HUD-adjusted median family income is \$86,100 for PMSA 7360 and \$74,500 for PMSA 5775. Approximately 8% of families in the bank's assessment area subsist below the poverty level.

Housing Characteristics

In the wake of job-cutting and rising unemployment resulting from the current economic slowdown, housing prices are stabilizing but affordability remains a major issue. According to the National Association of Realtors, median housing prices in the San Francisco Bay Area are significantly higher than those in the western U.S. as well as in rest of the U.S. The 2001 median housing price for the Bay Area is \$475,900 compared with a median price of \$194,500 for the western U.S. and \$147,800 nationwide. Housing stock in the San Francisco CMSA has a median age of 50 years.

Labor, Employment and Economic Characteristics

The San Francisco Bay Area is a major financial, commercial and cultural center for northern California as well as the western U.S. The economies of San Francisco, Alameda, San Mateo and Marin Counties account for a large portion of the region's business activity. These counties are employment centers for large national corporations such as Charles Schwab Corporation, Wells Fargo & Company, and Clorox Corporation. With over 62% of the Bay Area population, the

EXHIBIT 10								
Assessment Area Demographics								
CMSA 7362 (San Francisco-Oakland-San Jose, CA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	67	13	48,822	10	13,551	28	114,600	23
Moderate-income	111	21	106,000	21	14,180	13	91,794	18
Middle-income	186	36	199,508	40	9,367	5	107,620	22
Upper-income	139	27	141,130	29	2,838	2	181,446	37
NA	15	3	0	0	0	0	0	0
Total Assessment Area	518	100	495,460	100	39,936	8	495,460	100
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	106,794	17,693	4	17	78,819	74	10,282	10
Moderate-income	208,882	61,599	15	30	134,264	64	13,019	6
Middle-income	371,078	175,319	43	47	177,170	48	18,589	5
Upper-income	236,570	154,533	38	65	72,008	30	10,029	4
NA	148	0	0	0	0	0	148	100
Total Assessment Area	923,472	409,144	100	44	462,261	50	52,067	6
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	23,806	19	19,658	18	2,981	24	1,167	16
Moderate-income	26,008	20	21,910	20	2,618	21	1,480	21
Middle-income	45,680	35	39,008	36	4,106	33	2,566	36
Upper-income	32,000	25	27,463	25	2,713	21	1,824	26
Tract not reported	595	1	484	1	71	1	40	1
Total Assessment Area	128,089	100	108,523	100	12,489	100	7,077	100
Percentage of Total Businesses:				84		10		6

counties also are suburban communities for the entire region.

The area's economic base is diverse, but the northern California economy experienced a marked slowdown during the examination period as a result of reduced technology-related spending, a decline in economic activity from travel and tourism following the September 11, 2001, attacks in New York and Washington, D.C., and the national recession. The impact on the Bay Area was harsher than on other areas because of its many technology-based service companies, specialized financial service firms, and travel and tourism-related industries.

According to the State of California Employment Development Department, most major employment sectors in the area posted a net loss of jobs between October 2001 and October 2002. The industries with large job losses include business services, hotel, airline, finance, construction, manufacturing and retail. Favorable economic conditions led to a steady decline in

unemployment in the late 1990s, but between January 2001 to December 2002 weaknesses in these industries caused significant jobless rate increases in both the San Francisco PMSA (2.4% in 2001 to 5.0% in 2002) and Oakland PMSA (2.8% to 5.7%).

Services and retail trade account for nearly 70% of total 2001 employment. Small businesses represent a significant source of private sector employment as 78% of firms in the area employ fewer than ten people, and 85% of these businesses gross \$1 million or less a year.

Given the many small businesses and high cost of housing, credit for both small business development and affordable housing remains a major need.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 7362 (SAN FRANCISCO-OAKLAND-SAN JOSE, CA)

LENDING TEST

The bank's performance under the lending test is rated "low satisfactory."

Lending Activity: HSBC's lending activity reflected a good response to credit needs in this assessment area, taking into account the number and dollar amount of HMDA-related, small business and small farm loans as well as the bank's market strategy.

For the examination period, HSBC and its mortgage company originated 5,005 HMDA-related, small business and small farm loans totaling \$1.9 billion. Approximately 99% of the loans were HMDA-related. Of the HMDA-related loans, 22% were home purchase loans and 78% were refinancings. The bank had no home improvement or multifamily lending, and small business lending was minimal, reflecting HSBC's business strategy in the California markets.

Within the CMSA, the majority of all HMDA-related lending (83%) and small business lending (94%) took place in PMSA 7360. Only 17% of HMDA-related activity and 6% of small business lending took place in PMSA 5775. The bank's HMDA-related market share exceeded its deposit market while its small business market share was weaker.

Geographic Distribution: The geographic distribution of HMDA-related and small business loans in the CMSA was good. The bank's performance reflected adequate loan penetration in low-income geographies and good loan penetration in moderate-income geographies.

Home Purchase Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of home purchase loans across geographies of different income levels reflected excellent penetration. Performance was good in low-income geographies and excellent in moderate-income geographies, and HSBC performed slightly below the aggregate in the CMSA's LMI geographies.

Refinance Loans

The geographic distribution of refinance loans was good. The bank's performance was good in moderate-income geographies and adequate in low-income geographies, but HSBC performed slightly below the aggregate in LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was adequate based on:

- A poor level of HMDA-related lending to moderate-income borrowers given the high cost of housing in the assessment area relative to income levels; and
- An adequate level of HMDA-related lending to low-income borrowers given the high housing costs relative to incomes.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was poor compared with the number of moderate-income families. HSBC's home purchase lending performance was below the aggregate lending to moderate-income borrowers.

Refinance Loans

The bank's refinance lending to moderate-income borrowers showed poor distribution when compared with the number of moderate-income families in the CMSA. The bank's refinancings to moderate-income borrowers was also below the aggregate lending to these borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

The bank's distribution of home purchase lending to low-income borrowers exhibited adequate performance compared with the number of low-income families in the CMSA and the high cost of housing relative to incomes in the San Francisco area. HSBC's home purchase lending to low-income families was low and trailed the aggregate, but aggregate lending was similarly low, reflecting affordability issues in the area.

Refinance Lending

The bank's refinance lending to low-income borrowers reflected adequate performance compared with the number of low-income families in the CMSA and the difficulty in extending refinancings to low-income borrowers. The high cost of housing in this assessment area makes homeownership difficult for low-income borrowers, if not prohibitive. The bank's performance trailed aggregate performances in the CMSA, but both the bank and the aggregate had a low

percentage of lending to low-income borrowers reflecting affordability issues in the area.

Community Development Lending: HSBC's level of community development lending in CMSA 7362 (San Francisco-Oakland-San Jose, CA) was adequate. During the examination period, the bank originated two community development loans totaling \$1 million, which were responsive to assessment area credit needs. The loans were unsecured lines of credit to a community development corporation serving the housing needs of LMI individuals and families in San Francisco.

Purpose	#	\$('000s)
Affordable Housing	2	1,000
TOTALS	2	\$1,000

INVESTMENT TEST

HSBC's investment performance in CMSA 7362 was marginally adequate. The bank's volume of qualified investments included \$10 thousand in grants made to organizations that promote community development. For details, see California Table 14 in Appendix D.

The bank's qualified investment activity exhibited adequate responsiveness to assessment area credit needs. For details, see the table at right. The qualified investments included a \$5,000 grant to a financial intermediary that supports affordable housing in the CMSA. Multiple grants totaling \$5,000 went to an entity promoting small business development.

Purpose	#	\$('000s)
Affordable Housing	1	5
Economic Development	2	5
TOTALS	3	\$10

SERVICE TEST

HSBC's performance under the service test was rated "high satisfactory."

Retail Services: The bank's delivery systems were accessible to geographies and individuals of different income levels in CMSA 7362. HSBC's two branches were located in low-income geographies. The percentage of the bank's branch locations in LMI geographies compared favorably with the population level in LMI geographies. Bank management, however, noted the San Francisco branch's private banking focus and limited retail capabilities.

HSBC provided alternative delivery systems with Internet and telephone banking services that served the needs of the CMSA but did not significantly enhance accessibility. The bank also offers ATM service. The bank's record of opening and closing branches improved the accessibility of its delivery systems. One branch was opened in a low-income geography.

Products and services did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and LMI individuals. The Oakland branch had extended weekday hours.

Community Development Services: HSBC provided no community development services in the San Francisco CMSA.

METROPOLITAN AREA

(FULL REVIEW)

CMSA 4472 (LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of November 30, 2002, HSBC operated two branches in this assessment area, containing approximately \$72 million in deposits, or 18% of the bank's total branch deposits in California as of June 30, 2002.

PERFORMANCE CONTEXT

Demographic Characteristics

Consisting of a portion of Los Angeles County ("L.A. County"), HSBC's assessment area in CMSA 4472 (Los Angeles-Riverside-Orange, CA) has a total population of 2.8 million. Between 1990 and 2000, the population grew by 7% in L.A. County.

According to the 2000 Census, almost 31% of the CMSA population is foreign-born, and 35% immigrated during the 1990s. In the city of Los Angeles ("L.A."), 41% of the population was born outside the U.S., with 38% immigrating between 1990 and 2000. Immigrant populations may have limited credit experience and require financial literacy education and first-time home buyer products.

The majority of L.A. residents do not speak English at home. Fifty-eight percent of the population speaks a language other than English. Forty-two percent of the population speaks Spanish, almost equaling the English-speaking population. In the CMSA, 47% do not speak English at home. Financial institutions need to develop ways to serve the needs of these significant non-English speaking populations in order to market products and services.

Income Characteristics

The 2000 Census shows that median family income in L.A. is \$39,942. The state median family income is \$53,025. According to the 2000 Census, L.A. County has a poverty rate of 14.4%, and in L.A., 18.3% of families subsist below the poverty level.

Housing Characteristics

Considering PMSA income levels, housing prices are prohibitive to LMI families in the L.A. area, thus limiting opportunities for mortgage lending. The 2000 Census puts the median housing values in L.A. County and L.A. at \$209,300 and \$221,600, respectively.

EXHIBIT 11								
Assessment Area Demographics								
CMSA 4472 (Los Angeles-Riverside-Orange County, CA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	86	15	90,527	15	29,985	33	165,904	27
Moderate-income	137	24	165,417	27	33,354	20	107,791	17
Middle-income	161	28	168,330	27	13,898	8	109,954	18
Upper-income	185	32	193,194	31	6,223	3	233,819	38
NA	3	1	0	0	0	0	0	0
Total Assessment Area	572	100	617,468	100	83,460	14	617,468	100
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	156,990	12,680	3	8	131,287	84	13,023	8
Moderate-income	266,667	59,364	16	22	190,347	71	16,956	6
Middle-income	351,999	109,840	29	31	219,307	62	22,852	6
Upper-income	357,533	197,184	52	55	139,797	39	20,552	6
Tract not reported	233	0	0	0	229	98	4	2
Total Assessment Area	1,133,422	379,068	100	33	680,967	60	73,387	7
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	27,216	16	21,386	15	4,193	23	1,637	16
Moderate-income	28,566	17	23,378	17	3,389	18	1,799	17
Middle-income	48,454	29	40,678	29	4,671	25	3,105	30
Upper-income	63,852	38	53,938	39	6,232	34	3,682	36
Tract not reported	544	0	445	0	44	0	55	1
Total Assessment Area	168,632	100	139,825	100	18,529	100	10,278	100
Percentage of Total Businesses:				83		11		6

L.A. County has an owner-occupied rate of 46% of total housing units, according to the 2000 Census, but the city's ownership level is lower at 37% of housing units. The statewide owner-occupied rate is 54%. The lower ownership rates, particularly in L.A., limit mortgage lending opportunities.

Older housing is concentrated in L.A. According to the 2000 Census, half of the city's housing units were built in 1940 or earlier. That figure is 47% for L.A. County. Older housing units indicate a need for home improvement financing.

In an attempt to address housing affordability issues, L.A. County has filed with HUD a consolidated plan concerning community development needs, and the city has issued its own plan. Service needs include low-interest home improvement loans for low-income families.

Also, new housing is being built to meet the needs of the growing population. The Los Angeles

CMSA is second only to Atlanta, Georgia, in new housing starts in 2001. The level of new housing starts, however, falls far below increases in the population and insufficiently alleviates the area's housing affordability issues.

Labor, Employment and Economic Characteristics

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Los Angeles PMSA increased from 5.2% in January 2001 to 6.1% in December 2002.

The CMSA's diverse economic base includes services, retail trade, government and manufacturing. Despite the presence of large companies, small businesses continue to be the assessment area's largest employer. According to the California Employment Development Department, out of the 455,269 private firms operating in the Los Angeles CMSA, only 805 employ 500 or more persons. This suggests opportunities for small business lending.

Community groups indicated that affordable housing and small business development are major credit needs in the assessment area. Community representatives also emphasized the need for small dollar loans and technical assistance for small businesses, and affordable housing loan programs.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 4472
(LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA)**

LENDING TEST

The bank's performance under the lending test is "low satisfactory."

Lending Activity: HSBC's lending activity reflected a good response to credit needs in the CMSA 4472 assessment area, taking into account the number and dollar amount of HMDA-related and small business loans.

For the examination period, HSBC and its mortgage company originated 2,105 HMDA-related and small business loans totaling approximately \$576 million. Approximately 77% of the loans were HMDA-related and 23% were small business. Of HMDA-related loans 30% were home purchase loans and 70% were refinancings. The bank's HMDA-related market share exceeded its deposit market while its small business market share was not as comparable.

Geographic Distribution: The geographic distribution of HMDA-related and small business loans in the CMSA was poor. The bank's performance reflected poor loan penetration in LMI geographies.

Home Purchase Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of home purchase loans across geographies of different income levels reflected poor penetration.

HSBC performed significantly below the aggregate in both low- and moderate-income geographies in the CMSA.

Refinance Loans

Compared with the number of owner-occupied housing units, the overall geographic distribution of refinancings across geographies of different income levels was poor in both low- and moderate-income geographies, with very poor penetration in low-income geographies. HSBC's performance was significantly below the aggregate in low-income geographies and below the aggregate in moderate-income geographies.

Small Business Loans

The overall geographic distribution of small business loans in LMI geographies reflected poor penetration. The bank's performance was significantly below the aggregate in LMI geographies.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was poor based on:

- A poor level of HMDA-related lending to moderate-income borrowers given the area's high housing costs relative to incomes;
- Adequate lending to low-income borrowers in relation to the high cost of housing in the assessment area, which hinders homeownership; and
- An adequate level of lending to businesses with GAR of \$1 million or less.

HMDA-related Lending to Moderate-income Borrowers

Home Purchase Loans

HSBC's distribution of home purchase loans to moderate-income borrowers was very poor when compared with the number of moderate-income families in the assessment area. The bank's home purchase lending was significantly below the aggregate lending to such borrowers.

Refinance Loans

The bank's refinancings to moderate-income borrowers represented poor distribution when compared with the number of moderate-income families in the assessment area. The bank's refinancings to moderate-income borrowers was below the aggregate lending to such borrowers.

HMDA-related Lending to Low-income Borrowers

Home Purchase Loans

The bank's distribution of home purchase lending to low-income borrowers exhibited poor performance based on the number of low-income families in the CMSA. The level of aggregate

lending to low-income families was weak. However, HSBC made no home purchase loans to low-income borrowers.

Refinance Loans

The bank's level of refinancings to low-income borrowers reflected adequate performance given the number of low-income families in the CMSA and the difficulty in extending refinancings to low-income borrowers. The high housing costs in the assessment area hinders, if not precludes, homeownership by low-income families. However, HSBC's performance was significantly below the aggregate.

Small Business Loans

The bank's small business lending reflected adequate performance in the CMSA when compared with the number of businesses with GAR of \$1 million or less. Bank performance exceeded the aggregate in the CMSA. Of the bank's total number of small business loans in the CMSA, 96% were for amounts of \$100 thousand or less. The loan size averaged \$16 thousand.

Community Development Lending: The bank's level of community development lending was excellent. Such lending was responsive to community needs, as detailed in the accompanying table. Most of the community development lending dollars were targeted to affordable housing. Examples of HSBC's community development loans included:

Purpose	#	\$('000s)
Affordable Housing	5	2,100
Economic Development	3	800
Revitalize and Stabilize	1	300
TOTALS	9	\$3,200

- A \$500 thousand loan to a community reinvestment corporation to construct or rehabilitate multifamily housing units for LMI families. The corporation also provides technical assistance to project sponsors and governmental entities to identify ways to increase the affordable housing supply.
- A \$500 thousand loan to a financial intermediary that channels funds to various community development corporations in support of affordable housing and economic development.
- Multiple loans totaling more than \$1 million to a community development corporation increasing the availability of capital to meet the affordable housing needs of the LMI community.

INVESTMENT TEST

HSBC's investment performance in CMSA 4472 was adequate. The bank's volume of qualified investments totaled nearly \$141 thousand in grants to organizations promoting community development. For details, see California Table 14 in Appendix D.

The bank's qualified investment activity exhibited good responsiveness to assessment area credit needs. For details, see the table at right. Examples of HSBC's qualified investments included:

Purpose	#	\$('000s)
Affordable Housing	12	103
Community Services	9	18
Economic Development	7	17
Revitalize and Stabilize	2	3
TOTALS	30	\$141

- Multiple grants totaling nearly \$33 thousand to a local NHS (Neighborhood Housing Services) organization to assist in providing homeownership and rental opportunities to LMI individuals and families in L.A.
- Multiple grants totaling \$50 thousand to a local foundation that trains and assists community-based organizations and local governments dealing with community development problems. The foundation also provides preliminary financing of housing, child care and other community services.

SERVICE TEST

HSBC's performance under the service test is rated "needs to improve" based primarily on the accessibility of the bank's branch delivery system in CMSA 4472.

Retail Services: The bank's branch delivery systems were inaccessible to significant portions of the assessment area when compared with the population in LMI geographies. The bank has no branches in LMI geographies.

HSBC's alternative delivery systems did not significantly enhance accessibility. The delivery systems included Internet and telephone banking services. The bank has no ATM service. One mortgage LPO is maintained in the assessment area.

The branches have extended business hours on weekdays, but no Saturday hours. No branches were opened or closed.

Community Development Services: HSBC provided a limited level of community development services in the Los Angeles CMSA. The bank focused on small business initiatives, home buyer workshops and community services.

In April 2002, an HSBC employee volunteered at an area high school to teach lending fundamentals to high school seniors. Another bank employee is a member of a small business development corporation's loan underwriting committee. HSBC also donated office furniture to the L.A. office of an affordable housing organization.

CRA APPENDIX A

SCOPE OF EXAMINATION

HSBC BANK			
TIME PERIOD REVIEWED		10/1/00 to 12/31/02	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
HSBC Bank USA Buffalo, New York			<ul style="list-style-type: none"> • Home purchase • Refinancings • Home improvement • Multifamily • Small business • Small farm • Community development
AFFILIATE(S)		AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
HSBC Mortgage Corporation (USA)		Bank subsidiary	<ul style="list-style-type: none"> • Home purchase • Refinancings
HSBC Community Development Corporation USA		Bank subsidiary	<ul style="list-style-type: none"> • Qualified investments
ASSESSMENT AREA		TYPE OF EXAM	BRANCHES VISITED¹
<u>New York State</u>			
CMSA 5602		On-site	3410-3418 Broadway, New York, NY 58 Bowery, New York, NY
MSA 0160 (Albany-Sch.-Troy, NY)		Off-site	
MSA 1280 (Buffalo-N.Falls, NY)		On-site	306 West Ferry Street, Buffalo, NY 1989 Clinton Street, Buffalo, NY
MSA 6840 (Rochester, NY)		Off-site	
MSA 8160 (Syracuse, NY)		Off-site	
MSA 0960 (Binghamton, NY)		Off-site	
MSA 2335 (Elmira, NY)		Off-site	
MSA 2975 (Glen Falls, NY)		Off-site	
MSA 3610 (Jamestown, NY)		Off-site	
MSA 8680 (Utica-Rome, NY)		Off-site	
Non-MSA Group 1		Off-site	
Non-MSA Group 2		Off-site	
Non-MSA Group 3		Off-site	
Non-MSA Group 4		Off-site	

(Appendix A continued on next page)

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

(Appendix A continued)

ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED ²
<u>Pennsylvania</u>		
PMSA 6160 (Philadelphia, PA-NJ)	Off-site	
<u>Florida</u>		
CMSA 4992	On-site	301 Arthur Godfrey Rd., Miami Beach, FL 2 South Biscayne Blvd., Miami, FL 1600 SE 17 th Street, Fort Lauderdale, FL
MSA 8960 (West Palm Beach, FL)	Off-site	
<u>California</u>		
CMSA 7362	On-site	388 9 th Street, Oakland, CA
CMSA 4472	Off-site	

CRA APPENDIX B

SUMMARY OF RATINGS

HSBC BANK USA				
	Lending Test	Investment Test	Service Test	Overall Rating
(New York-New Jersey)	Outstanding	Outstanding	Outstanding	Satisfactory
Pennsylvania	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Florida	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
California	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

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

CRA APPENDIX C

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such

activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

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

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

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

CRA APPENDIX D

CRA CORE TABLES

Table 1. Lending Volume

LENDING VOLUME	Geography: NEW YORK STATE												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002	
	Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/JAA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans			% of Rated Area Deposits in MA/JAA***
			#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Full Review:														
CMSA 5602	47.82	32,175	7,334,300	12,242	1,113,590	7	526	134	445,380	44,558	8,893,796	62.97		
MSA 0160	5.85	4,465	492,945	981	111,203	3	46	6	1,089	5,455	605,283	1.63		
MSA 1280	19.26	13,234	1,132,695	4,638	522,176	27	3,861	23	5,313	17,922	1,664,045	20.46		
MSA 6840	12.56	9,127	811,959	2,528	301,402	10	201	29	26,626	11,694	1,140,188	6.36		
MSA 8160	3.95	2,382	176,858	1,240	158,404	49	4,324	11	10,315	3,671	349,901	2.66		
STATEWIDE	0	0	0	0	0	0	0	4	16,000	4	16,000			
Limited Review:														
MSA 0960	1.49	1,039	69,077	328	37,741	16	1,270	3	1,300	1,386	109,388	0.89		
MSA 2335	0.60	417	25,219	135	11,100	4	275	2	200	558	36,794	0.38		
MSA 2975	0.42	360	30,958	33	2,710	0	0	0	0	393	33,668	0.10		
MSA 3610	1.26	880	59,984	274	28,060	6	43	10	4,878	1,170	92,965	0.70		
MSA 8680	1.42	934	55,159	381	43,676	7	891	12	50,511	1,334	150,237	1.03		
NON-MSA GROUP 1	3.12	1,554	98,006	617	64,189	725	56,705	18	28,966	2,914	247,866	1.56		
NON-MSA GROUP 2	1.16	907	96,080	174	18,764	2	4	2	268	1,085	115,116	0.53		
NON-MSA GROUP 3	0.66	424	27,718	156	9,223	36	3,098	2	2,079	618	42,118	0.43		
NON-MSA GROUP 4	0.44	342	20,211	61	6,051	3	23	2	302	408	26,587	0.29		

* Loan data as of December 31, 2002. Rated area refers to either the state or multistate metropolitan area rating area. Of the home mortgages total, 4,400 home mortgage originations by HSBC Mortgage Co. are also counted as purchases by HSBC Bank USA. Of the 4,400 home mortgages, 3,174 are home purchase loans while 1,226 are refinancings.
 ** The evaluation period for community development loans is from October 1, 2000, to December 31, 2002.
 *** Deposit data as of June 30, 2002. Rated area refers to the state, multistate metropolitan area, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CMSA 5602	17,213	50.51	1.25	1.98	9.34	9.80	45.83	43.33	44.81	2.50	12.14	42.95	42.30	
MSA 0160	1,951	5.72	1.08	0.46	12.22	8.56	58.85	55.97	35.01	0.79	10.30	58.59	30.31	
MSA 1280	6,634	19.47	3.21	0.53	12.70	6.59	54.51	52.22	40.67	1.28	7.96	52.49	38.25	
MSA 6840	4,539	13.32	2.55	1.12	12.43	10.05	58.33	58.34	30.47	1.43	10.89	55.75	31.91	
MSA 8160	968	2.84	1.35	1.14	9.09	6.92	61.94	54.13	37.81	0.83	7.02	56.31	35.83	
Limited Review:														
MSA 0960	479	1.41	0.41	0.00	14.23	14.41	58.99	55.11	30.48	0.24	14.29	54.77	30.70	
MSA 2335	188	0.55	0.49	0.00	6.43	7.98	67.64	67.55	24.47	0.18	6.95	64.52	28.35	
MSA 2975	131	0.38	0.00	0.00	2.43	0.00	84.57	77.10	22.90	0.00	0.92	81.39	17.68	
MSA 3610	385	1.13	0.90	0.26	8.06	4.42	84.12	84.94	10.39	1.14	6.50	83.84	8.52	
MSA 8680	292	0.86	0.23	0.00	10.79	7.19	62.99	57.19	35.62	0.12	8.19	62.37	29.15	
NON-MSA GROUP 1	560	1.64	0.07	0.00	17.46	10.89	76.94	80.00	8.75	0.33	15.83	75.64	8.11	
NON-MSA GROUP 2	458	1.34	0.00	0.00	1.42	3.06	61.59	66.59	30.35	0.00	1.87	57.54	40.59	
NON-MSA GROUP 3	155	0.45	0.00	0.00	2.90	2.58	72.79	76.77	20.65	0.00	3.78	67.38	28.84	
NON-MSA GROUP 4	126	0.37	0.41	0.00	0.34	0.00	90.51	88.10	11.90	0.00	0.94	90.88	8.18	

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: NEW YORK STATE						Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CMSA 5602	729	16.94	1.25	2.33	9.34	12.76	45.83	46.78	43.58	38.00	1.90	12.62	51.60	33.79
MSA 0160	132	3.07	1.08	0.76	12.22	14.39	58.85	69.70	27.84	15.15	0.92	15.94	59.21	23.74
MSA 1280	1,150	26.73	3.21	2.87	12.70	9.39	54.51	58.78	29.58	28.96	4.20	11.67	57.09	27.05
MSA 6840	794	18.45	2.55	2.27	12.43	13.60	58.93	66.88	26.09	17.25	2.38	14.89	62.85	19.85
MSA 8160	423	9.83	1.35	1.18	9.09	6.15	61.94	60.52	27.63	32.15	0.96	8.80	64.84	25.40
Limited Review:														
MSA 0960	96	2.23	0.41	1.04	14.23	14.58	58.99	65.63	26.37	18.75	0.94	13.97	59.13	25.96
MSA 2335	51	1.19	0.49	0.00	6.43	13.73	67.64	60.78	25.44	25.49	0.43	6.82	73.77	18.76
MSA 2975	46	1.07	0.00	0.00	2.43	2.17	84.57	97.83	13.00	0.00	0.00	2.65	88.41	8.94
MSA 3610	137	3.18	0.90	2.92	8.06	7.30	84.12	76.64	6.93	13.14	0.73	7.32	87.41	4.54
MSA 8680	253	5.88	0.23	0.40	10.79	16.60	62.99	68.77	25.98	14.23	0.50	12.26	65.33	21.92
NON-MSA GROUP 1	320	7.44	0.07	0.63	17.46	15.63	76.94	78.13	5.53	5.31	0.19	25.70	69.87	4.13
NON-MSA GROUP 2	37	0.86	0.00	0.00	1.42	0.00	61.59	70.27	37.00	29.73	0.00	0.94	58.87	40.19
NON-MSA GROUP 3	75	1.74	0.00	0.00	2.90	0.00	72.79	81.33	24.31	18.67	0.00	0.93	86.57	12.50
NON-MSA GROUP 4	60	1.39	0.41	0.00	0.34	1.67	90.51	93.33	8.74	5.00	0.00	0.47	90.61	8.92

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinancings		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CMSA 5602	14,004	47.31	1.25	0.67	9.34	7.21	45.83	43.29	48.79	43.58	1.32	10.46	48.45	39.69
MSA 0160	2,381	8.04	1.08	0.21	12.22	5.29	58.85	57.20	37.30	27.84	0.65	9.11	59.08	31.15
MSA 1280	5,440	18.38	3.21	0.48	12.70	4.19	54.51	49.72	45.61	29.58	2.31	8.79	50.79	38.10
MSA 6840	3,789	12.80	2.55	0.61	12.43	6.86	58.93	57.88	34.65	26.09	1.35	7.94	57.59	33.10
MSA 8160	987	3.33	1.35	0.20	9.09	5.27	61.94	51.27	43.26	27.63	0.78	6.29	56.97	35.96
Limited Review:														
MSA 0960	461	1.56	0.41	0.22	14.23	11.93	58.99	58.35	29.50	26.37	0.32	11.73	58.03	29.92
MSA 2335	178	0.60	0.49	0.00	6.43	5.06	67.64	57.87	37.08	25.44	0.07	7.38	60.86	31.69
MSA 2975	183	0.62	0.00	0.00	2.43	0.00	84.57	66.67	33.33	13.00	0.00	1.18	79.86	18.96
MSA 3610	357	1.21	0.90	0.56	8.06	3.36	84.12	85.15	10.92	6.93	1.61	6.05	84.73	7.61
MSA 8680	388	1.31	0.23	0.00	10.79	3.61	62.99	59.28	37.11	25.98	0.18	8.07	60.83	30.86
NON-MSA GROUP 1	673	2.27	0.07	0.00	17.46	6.69	76.94	82.91	9.96	5.53	0.24	14.56	78.56	6.46
NON-MSA GROUP 2	411	1.39	0.00	0.00	1.42	1.95	61.59	63.26	34.79	37.00	0.00	1.19	55.19	43.57
NON-MSA GROUP 3	193	0.65	0.00	0.00	2.90	0.52	72.79	77.20	22.28	24.31	0.00	2.11	71.31	26.58
NON-MSA GROUP 4	156	0.53	0.41	0.00	0.34	0.00	90.51	85.26	14.74	8.74	0.00	0.00	89.53	10.47

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	Total Multifamily Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Bank Loans	% Multifamily Units***	% Multifamily Units***	Low	Mod	Mid	Upper
Full Review:														
CMSA 5602	229	89.11	16.84	4.80	23.11	13.97	28.12	20.09	31.89	60.70	14.43	30.18	32.84	22.41
MSA 0160	1	0.39	10.52	0.00	19.84	0.00	49.31	0.00	20.25	100.00	3.39	16.95	50.85	28.81
MSA 1280	10	3.89	14.58	0.00	15.32	10.00	44.01	60.00	26.06	30.00	2.47	12.35	59.26	25.93
MSA 6840	5	1.95	9.63	20.00	18.43	40.00	52.97	40.00	18.86	0.00	7.69	29.23	56.92	6.15
MSA 8160	4	1.56	19.59	25.00	27.46	0.00	36.01	50.00	16.95	25.00	2.78	27.78	55.56	13.89
Limited Review:														
MSA 0960	3	1.17	16.52	0.00	29.36	0.00	39.83	100.00	14.28	0.00	0.00	18.18	63.64	18.18
MSA 2335	0	0.00	15.83	0.00	29.96	0.00	47.63	0.00	6.58	0.00	0.00	0.00	57.14	42.86
MSA 2975	0	0.00	0.00	0.00	0.00	0.00	57.29	0.00	42.71	0.00	0.00	0.00	66.67	33.33
MSA 3610	1	0.39	19.04	0.00	12.66	0.00	58.76	100.00	9.54	0.00	0.00	0.00	50.00	50.00
MSA 8680	1	0.39	8.83	0.00	40.05	100.00	36.98	0.00	14.14	0.00	14.29	0.00	85.71	0.00
NON-MSA GROUP 1	1	0.39	3.85	0.00	33.96	0.00	55.67	100.00	6.52	0.00	0.00	46.15	46.15	7.69
NON-MSA GROUP 2	1	0.39	0.00	0.00	6.80	0.00	65.99	0.00	27.21	100.00	0.00	8.33	58.33	33.33
NON-MSA GROUP 3	1	0.39	0.00	0.00	17.88	0.00	43.42	0.00	38.70	100.00	0.00	18.75	43.75	37.50
NON-MSA GROUP 4	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Metropolitan Area/ Assessment Area		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002								
		Total Small Business Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies				
		#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans			
Full Review:														
CMSA 5602	12,242	51.46	4.99	4.26	15.33	16.17	36.07	30.89	41.92	45.81	3.96	13.92	36.21	41.90
MSA 0160	981	4.12	7.67	9.89	14.66	11.11	51.44	53.31	25.94	25.38	5.30	14.16	51.53	24.71
MSA 1280	4,638	19.50	4.68	10.65	14.72	16.21	49.03	46.46	30.92	26.37	5.20	13.79	46.40	31.22
MSA 6840	2,528	10.63	5.29	5.97	14.32	14.72	53.19	53.44	25.10	24.76	4.09	13.12	54.55	23.73
MSA 8160	1,240	5.21	7.86	7.10	13.11	18.39	55.28	51.45	23.92	23.06	7.22	12.42	53.75	21.60
Limited Review:														
MSA 0960	328	1.38	8.05	9.45	20.18	21.34	52.24	43.60	19.53	25.61	5.05	14.26	51.93	23.04
MSA 2335	135	0.57	4.26	15.56	23.32	15.56	51.83	44.44	20.57	24.44	3.17	17.55	52.36	23.40
MSA 2975	33	0.14	0.00	0.00	1.49	0.00	80.56	96.97	17.95	3.03	0.00	5.10	68.84	19.85
MSA 3610	274	1.15	9.50	5.11	10.68	14.96	71.53	72.63	8.29	7.30	6.93	11.40	68.16	7.81
MSA 8680	381	1.60	3.08	2.36	19.78	18.90	53.24	54.59	23.07	21.00	2.32	17.01	51.46	24.56
NON-MSA GROUP 1	617	2.59	4.68	1.46	21.38	14.59	68.25	76.99	5.12	6.81	2.11	16.11	69.04	5.15
NON-MSA GROUP 2	174	0.73	0.00	0.00	2.02	0.00	62.50	73.56	35.47	26.44	0.00	1.37	56.34	30.79
NON-MSA GROUP 3	156	0.66	0.00	0.00	16.77	5.77	58.01	78.85	25.22	15.38	0.00	13.09	64.79	16.05
NON-MSA GROUP 4	61	0.26	0.43	0.00	0.09	0.00	94.71	90.16	4.78	9.84	0.00	9.90	84.26	2.15

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

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

*** Source data - Dun and Bradstreet (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002							
Metropolitan Area/ Assessment Area	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*				
	#	% of Total***	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	% of Farms***	% Bank Loans	Low	Mod	Mid	Upper	
Full Review:													
CMSA 5602	7	0.78	0.55	0.00	12.17	14.29	48.98	42.86	38.16	42.86	18.57	34.29	42.86
MSA 0160	3	0.34	0.38	0.00	15.12	0.00	60.38	33.33	24.13	66.67	74.31	19.27	5.50
MSA 1280	27	3.02	0.36	0.00	4.28	0.00	64.88	29.63	30.48	70.37	0.00	77.92	20.78
MSA 6840	10	1.12	0.64	0.00	10.66	0.00	71.80	80.00	16.90	20.00	16.03	79.04	4.66
MSA 8160	49	5.47	0.43	0.00	5.30	0.00	70.26	85.71	24.02	14.29	4.71	86.59	5.07
Limited Review:													
MSA 0960	16	1.79	0.51	0.00	11.57	50.00	75.84	25.00	12.08	25.00	12.09	80.22	7.69
MSA 2335	4	0.45	0.00	0.00	6.35	0.00	69.05	100.00	24.60	0.00	0.00	100.00	0.00
MSA 2975	0	0.00	0.00	0.00	0.00	0.00	94.36	0.00	5.64	0.00	0.00	95.35	2.33
MSA 3610	6	0.67	0.99	0.00	0.59	0.00	95.45	100.00	2.97	0.00	0.00	96.55	1.72
MSA 8680	7	0.78	0.13	0.00	2.27	0.00	79.20	71.43	18.27	28.57	0.56	86.67	10.56
NON-MSA GROUP 1	725	81.01	0.80	0.00	21.26	41.38	75.89	58.34	1.97	0.28	25.58	69.19	0.35
NON-MSA GROUP 2	2	0.22	0.00	0.00	0.14	0.00	67.85	100.00	32.01	0.00	0.00	89.95	0.96
NON-MSA GROUP 3	36	4.02	0.00	0.00	2.15	0.00	84.49	86.11	13.36	13.89	10.46	84.45	2.95
NON-MSA GROUP 4	3	0.34	0.00	0.00	0.00	0.00	91.25	100.00	8.75	0.00	0.34	92.88	6.10

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

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

*** Source data - Dun and Bradstreet (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NEW YORK STATE										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:															
CMSA 5602	17,213	50.51	22.56	3.08	16.32	18.24	20.56	26.10	40.56	52.58	2.91	14.68	27.94	54.47	
MSA 0160	1,951	5.72	16.94	5.48	18.42	24.29	25.42	26.10	39.22	44.13	6.26	22.55	27.99	43.20	
MSA 1280	6,634	19.47	19.56	9.97	18.17	28.48	24.00	25.38	38.27	36.17	7.79	24.21	29.87	38.13	
MSA 6840	4,539	13.32	18.65	10.11	18.18	31.94	24.88	26.97	38.29	30.98	9.50	25.36	26.84	38.30	
MSA 8160	968	2.84	18.41	8.64	17.96	25.60	24.58	28.01	39.05	37.75	5.98	23.80	28.28	41.94	
Limited Review:															
MSA 0960	479	1.41	18.17	14.06	19.34	26.27	24.16	23.27	38.33	36.41	7.82	22.78	27.04	42.36	
MSA 2335	188	0.55	18.75	10.53	18.82	28.65	23.45	32.75	38.98	28.07	6.08	21.93	26.82	45.16	
MSA 2975	131	0.38	16.90	3.31	19.16	19.01	26.26	24.79	37.68	52.89	4.58	19.81	30.88	44.72	
MSA 3610	385	1.13	19.40	7.30	18.10	22.97	23.68	25.68	38.82	44.05	4.45	24.34	28.86	42.36	
MSA 8680	292	0.86	18.31	5.69	18.93	23.84	24.04	22.42	38.72	48.04	5.86	22.70	28.24	43.20	
NON-MSA GROUP 1	560	1.64	21.62	5.82	19.44	18.20	24.45	26.45	34.49	49.53	6.10	19.12	28.47	46.31	
NON-MSA GROUP 2	458	1.34	14.90	2.99	16.05	12.64	22.40	25.52	46.65	56.85	3.12	12.43	26.52	57.92	
NON-MSA GROUP 3	155	0.45	16.56	3.50	17.56	20.98	22.75	25.17	43.13	50.35	3.87	21.70	25.89	48.54	
NON-MSA GROUP 4	126	0.37	17.57	3.77	21.56	27.36	25.21	35.85	35.66	33.02	5.51	26.77	33.46	34.25	

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

** As a percentage of loans with borrower income information available. No information was available for 11.77% of loans originated and purchased by the bank.

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: NEW YORK STATE										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:															
CMSA 5602	729	16.94	22.56	14.20	16.32	25.82	20.56	27.69	40.56	32.28	7.18	17.80	30.47	44.55	
MSA 0160	132	3.07	16.94	13.08	18.42	22.31	25.42	30.00	39.22	34.62	10.28	21.64	28.17	39.90	
MSA 1280	1,150	26.73	19.56	14.00	18.17	22.42	24.00	28.55	38.27	35.04	13.71	20.70	28.38	37.21	
MSA 6840	794	18.45	18.65	17.14	18.18	23.79	24.88	28.90	38.29	30.18	11.44	25.73	28.43	34.39	
MSA 8160	423	9.83	18.41	12.59	17.96	17.19	24.58	25.91	39.05	44.31	8.92	21.66	27.13	42.29	
Limited Review:															
MSA 0960	96	2.23	18.17	17.89	19.34	34.74	24.16	21.05	38.33	26.32	11.62	21.57	28.08	38.73	
MSA 2335	51	1.19	18.75	23.40	18.82	23.40	23.45	31.91	38.98	21.28	11.55	19.63	28.87	39.95	
MSA 2975	46	1.07	16.90	22.73	19.16	25.00	26.26	25.00	37.68	27.27	9.76	23.69	31.01	35.54	
MSA 3610	137	3.18	19.40	8.09	18.10	27.94	23.88	21.32	38.82	42.65	7.88	23.26	28.14	40.71	
MSA 8680	253	5.88	18.31	12.50	18.93	21.77	24.04	31.45	38.72	34.27	8.77	20.15	29.24	41.83	
NON-MSA GROUP 1	320	7.44	21.62	14.83	19.44	15.14	24.45	29.65	34.49	40.38	12.10	24.94	29.30	33.66	
NON-MSA GROUP 2	37	0.86	14.90	8.33	16.05	27.78	22.40	30.56	46.65	33.33	6.29	13.84	26.54	53.33	
NON-MSA GROUP 3	75	1.74	16.56	6.76	17.56	28.38	22.75	24.32	43.13	40.54	8.67	20.56	28.83	41.94	
NON-MSA GROUP 4	60	1.39	17.57	8.33	21.56	13.33	25.21	43.33	35.66	35.00	10.61	24.24	27.78	37.37	

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

** As a percentage of loans with borrower income information available. No information was available for 3.04% of loans originated and purchased by the bank.

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002								
Metropolitan Area/ Assessment Area	Total Refinancings		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
CMSA 5602	14,004	47.31	22.56	2.88	16.32	14.64	20.56	26.50	40.56	55.97	3.92	15.63	28.76	51.69
MSA 0160	2,381	8.04	16.94	3.19	18.42	12.97	25.42	25.98	39.22	57.86	4.92	16.61	26.02	52.44
MSA 1280	5,440	18.38	19.56	4.40	18.17	15.10	24.00	28.51	38.27	51.99	6.95	16.66	28.98	47.51
MSA 6840	3,789	12.80	18.65	5.78	18.18	21.22	24.88	27.74	38.29	45.26	6.01	19.51	27.93	46.54
MSA 8160	987	3.33	18.41	4.39	17.96	15.33	24.58	29.37	39.05	50.91	4.48	15.78	25.25	54.49
Limited Review:														
MSA 0960	461	1.56	18.17	5.01	19.34	20.76	24.16	25.54	38.33	48.69	5.66	17.43	27.27	49.64
MSA 2335	178	0.60	18.75	7.32	18.82	14.63	23.45	23.17	38.98	54.88	5.43	14.57	26.21	53.79
MSA 2975	183	0.62	16.90	2.79	19.16	11.73	26.26	25.14	37.68	60.34	4.33	15.72	28.70	51.25
MSA 3610	357	1.21	19.40	3.70	18.10	11.68	23.68	25.64	38.82	58.97	4.46	14.74	28.40	52.41
MSA 8680	388	1.31	18.31	0.80	18.93	8.75	24.04	24.93	38.72	65.52	4.32	14.17	25.98	55.53
NON-MSA GROUP 1	673	2.27	21.62	3.54	19.44	8.77	24.45	28.46	34.49	59.23	4.01	15.16	26.04	54.78
NON-MSA GROUP 2	411	1.39	14.90	1.99	16.05	8.44	22.40	22.33	46.65	67.25	3.08	11.50	22.47	62.95
NON-MSA GROUP 3	193	0.65	16.56	3.19	17.56	10.64	22.75	25.00	43.13	61.17	3.93	15.24	24.41	56.41
NON-MSA GROUP 4	156	0.53	17.57	1.99	21.56	19.87	25.21	31.13	35.66	47.02	4.32	20.09	29.37	46.22

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

** As a percentage of loans with borrower income information available. No information was available for 6.9% of loans originated and purchased by the bank.

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

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NEW YORK STATE		Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Aggregate Lending Data*					
	#	% of Total**	% of Businesses***	% Bank Loans****						
Loans by Original Amount Regardless of Business Size										
			\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000					
All										
Full Review:										
CMSA 5602	12,242	51.46	82.82	63.87	82.36	8.18	14.17	9.45	281,693	123,937
MSA 0160	981	4.12	85.48	59.12	74.01	14.17		11.82	14,950	6,129
MSA 1280	4,638	19.50	84.35	48.45	76.39	10.72		12.89	20,072	7,415
MSA 6840	2,528	10.63	86.75	58.23	76.27	10.44		13.29	22,784	10,853
MSA 8160	1,240	5.21	85.61	54.44	71.53	13.23		15.24	13,858	5,942
Limited Review:										
MSA 0960	328	1.38	85.79	63.72	71.34	16.46		12.20	4,795	1,760
MSA 2335	135	0.57	87.71	46.67	85.93	4.44		9.63	1,419	562
MSA 2975	33	0.14	85.32	60.61	81.82	9.09		9.09	2,590	1,122
MSA 3610	274	1.15	85.75	56.57	77.01	11.68		11.31	2,280	879
MSA 6680	381	1.60	85.99	62.73	77.43	11.02		11.55	4,837	2,221
NON-MSA GROUP 1	617	2.59	85.83	57.54	75.85	13.29		10.86	7,170	3,405
NON-MSA GROUP 2	174	0.73	85.23	54.60	77.59	9.77		12.64	9,608	4,086
NON-MSA GROUP 3	156	0.66	86.07	54.49	80.13	14.74		5.13	4,996	2,649
NON-MSA GROUP 4	61	0.26	88.14	65.57	83.61	6.56		9.84	2,090	1,205

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

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4.57% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NEW YORK STATE		Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		Aggregate Lending Data*		
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Revenues \$1 Million or Less
Full Review:									
CMSA 5602	7	0.78	91.02	57.14	71.43	28.57	0.00	70	44
MSA 0160	3	0.34	93.52	66.67	100.00	0.00	0.00	109	98
MSA 1280	27	3.02	90.15	59.26	55.56	25.93	18.52	77	64
MSA 6840	10	1.12	91.87	50.00	100.00	0.00	0.00	730	641
MSA 8160	49	5.47	91.20	93.88	61.22	36.73	2.04	276	242
Limited Review:									
MSA 0960	16	1.79	91.26	100.00	81.25	6.25	12.50	91	86
MSA 2335	4	0.45	95.24	100.00	100.00	0.00	0.00	15	12
MSA 2975	0	0.00	91.22	0.00	0.00	0.00	0.00	43	32
MSA 3610	6	0.67	95.64	50.00	100.00	0.00	0.00	58	52
MSA 8680	7	0.78	96.13	71.43	57.14	14.29	28.57	180	166
NON-MSA GROUP 1	725	81.01	94.45	95.72	73.93	20.28	5.79	860	823
NON-MSA GROUP 2	2	0.22	90.56	100.00	100.00	0.00	0.00	209	187
NON-MSA GROUP 3	36	4.02	93.86	100.00	75.00	13.89	11.11	373	349
NON-MSA GROUP 4	3	0.34	96.20	100.00	100.00	0.00	0.00	295	257

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

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1.23% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

MA/Assessment Area	Geography: NEW YORK STATE Evaluation Period: OCTOBER 1, 2000, TO DECEMBER 31, 2002									
	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000' s)	#	\$(000' s)	#	\$(000' s)	% of Total	#	\$(000' s)	
Full Review:										
CMSA 5602	14	41,469	192	30,241	206	71,710	57.97	0	0	
MSA 0160	1	50	22	145	23	195	0.16	0	0	
MSA 1280	1	250	62	899	63	1,149	0.93	0	0	
MSA 6840	2	300	36	1,320	38	1,356	1.09	0	0	
MSA 8160	0	0	19	92	19	92	0.07	0	0	
NEW YORK STATEWIDE	7	17,352	5	31,501	12	48,853	39.48	0	0	
Limited-Review:										
MSA 0960	1	23	3	4	4	27	0.02	0	0	
MSA 2335	0	0	1	2	1	2	0.00	0	0	
MSA 2975	0	0	0	0	0	0	0.00	0	0	
MSA 3610	0	0	7	48	7	48	0.04	0	0	
MSA 8680	0	0	6	24	6	24	0.02	0	0	
NON-MSA GROUP 1	0	0	34	223	34	223	0.18	0	0	
NON-MSA GROUP 2	0	0	3	11	3	11	0.00	0	0	
NON-MSA GROUP 3	0	0	8	54	8	54	0.04	0	0	
NON-MSA GROUP 4	0	0	1	<1	1	<1	0.00	0	0	

* "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS													Geography: NEW YORK STATE													Evaluation Period: JANUARY 1, 2001, TO NOVEMBER 30, 2002												
Metropolitan Area/ Assessment Area	Deposits			Branches			Branch Openings/Closings			Population			Net change in Location Of Branches (+ or -)	Branch Openings/Closings			Population																					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			# of Branch Openings	# of Branch Closings	Net change in Location Of Branches (+ or -)			% of Population within Each Geography																										
				Low	Mod	Upper			Low	Mod	Upper	Low		Mod	Upper																							
Full Review:																																						
CMSA 5602	62.97	196	48	3.57	15.31	33.67	47.45	1	6	2	1	2	10.72	18.46	39.51	30.92																						
MSA 0160	1.63	18	4	16.67	11.11	44.44	27.78	0	1	0	0	1	3.45	16.57	55.31	24.66																						
MSA 1280	20.46	63	15	4.76	22.22	55.56	17.46	0	1	0	0	0	6.91	16.40	50.37	25.68																						
MSA 6840	6.36	48	12	6.25	20.83	54.17	18.75	1	3	1	0	1	6.12	14.89	56.11	22.63																						
MSA 8160	2.66	21	5	9.52	23.81	52.38	14.29	0	0	0	0	0	6.44	13.69	56.23	23.56																						
Limited Review:																																						
MSA 0960	0.89	14	3	14.29	28.57	42.86	14.29	0	0	0	0	0	2.11	17.67	55.70	24.52																						
MSA 2335	0.38	4	1	0.00	50.00	50.00	0.00	0	1	0	0	1	2.57	12.68	61.71	21.17																						
MSA 2975	0.10	2	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0.00	2.03	84.52	13.45																						
MSA 3610	0.70	7	2	0.00	28.57	71.43	0.00	0	1	1	0	0	2.81	10.49	78.63	8.07																						
MSA 8680	1.03	9	2	0	22.22	66.67	11.11	0	2	0	1	1	1.01	19.28	56.79	22.11																						
NON-MSA GROUP 1	1.56	14	3	7.14	14.29	64.29	14.29	0	0	0	0	0	1.54	23.13	68.55	5.93																						
NON-MSA GROUP 2	0.53	6	1	0.00	0.00	83.33	16.67	0	0	0	0	0	0.00	2.70	61.61	35.06																						
NON-MSA GROUP 3	0.43	5	1	0.00	20.00	40.00	40.00	0	0	0	0	0	0.00	8.02	67.09	24.88																						
NON-MSA GROUP 4	0.29	3	1	0.00	0.00	100.00	0.00	0	0	0	0	0	0.48	0.39	91.80	7.33																						

Table 1. Lending Volume

LENDING VOLUME		Geography: PENNSYLVANIA				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002						
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
PMSA 6160	100.00	197	20,888	50	2,438	0	0	2	300	249	23,626	100.00

* Loan data as of December 31, 2002. Rated area refers to either the state or multistate metropolitan area rating area. Of the home mortgages total, 16 home mortgage originations by HSBC Mortgage Co. are also counted as purchases by HSBC Bank USA. Of the 16 home mortgages, 13 are home purchase loans while 3 are refinancings.
 ** The evaluation period for community development loans is from October 1, 2000, to December 31, 2002.
 *** Deposit data as of June 30, 2002. Rated area refers to the state, multistate metropolitan area, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE ("HP")		Geography: PENNSYLVANIA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total HP Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*					
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper		
PMSA 6160	111	100.00	20.00	4.50	40.05	54.95	25.67	30.63	14.28	9.91	9.23	34.48	35.70	20.58		

* Based on 2001 Peer Mortgage Data: U.S. & PR.
 ** Home purchase loans originated and purchased in the metropolitan area/assessment area as a percentage of all home purchase loans originated and purchased in the rated area.
 *** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT ("HI")		Geography: PENNSYLVANIA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total HI Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*					
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper		
PMSA 6160	2	100.00	20.00	0.00	40.05	50.00	25.67	0.00	14.28	50.00	15.46	35.89	30.30	18.27		

* Based on 2001 Peer Mortgage Data: U.S. & PR.
 ** Home improvement loans originated and purchased in the metropolitan area/assessment area as a percentage of all home improvement loans originated and purchased in the rated area.
 *** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE (Refis*)		Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total Refis		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
PMSA 6160	84	100.00	20.00	5.95	40.05	13.10	25.67	47.62	14.28	33.33	9.54	27.01	33.15	30.29

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES ("SB")		Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total SB Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper
PMSA 6160	50	100.00	18.76	48.00	22.34	32.00	30.84	12.00	26.86	4.00	5.84	12.75	38.38	38.66

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

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

*** Source data - Dun and Bradstreet (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total HP Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
PMSA 6160	111	100.00	35.45	23.47	19.99	36.73	20.16	18.37	24.40	21.43	26.31	25.70	20.26	27.73

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

** As a percentage of loans with borrower income information available. No information was available for 11.71% of loans originated and purchased by the bank.

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total HI Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
PMSA 6160	2	100.00	35.45	50.00	19.99	0.00	20.16	50.00	24.40	0.00	26.58	24.16	22.22	27.05

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

** As a percentage of loans with borrower income information available.

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total Refis		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper
PMSA 6160	84	100.00	35.45	11.39	19.99	17.72	20.16	29.11	24.40	41.77	15.42	19.95	23.40	41.23

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

** As a percentage of loans with borrower income information available. No information was available for 5.95% of loans originated and purchased by the bank.

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

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Businesses with revenues of \$100,000 or less		Businesses with revenues of > \$100,000 to \$250,000		Businesses with revenues of > \$250,000 to \$1,000,000		Aggregate Lending Data*			
	#	% of Total**	% of Businesses***	% Bank Loans****	% of Businesses***	% Bank Loans****	% of Businesses***	% Bank Loans****	% of Businesses***	% Bank Loans****	All	Revenues \$ 1 Million or Less	Mid	Upper
PMSA 6160	50	100.00	84.67	72.00	86.00	6.00	8.00	52,083	19,302					

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

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: PENNSYLVANIA		Evaluation Period: OCTOBER 1, 2000, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$(000' s)	#	\$(000' s)	#	\$(000' s)	% of Total	#	\$(000' s)
Full Review:									
PMSA 6160	0	0	6	187	6	187	100	0	0

* "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

** "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS		Geography: PENNSYLVANIA		Evaluation Period: JANUARY 1, 2001, TO NOVEMBER 30, 2002										
Metropolitan Area/ Assessment Area	Deposits	Branches			Branch Openings/Closings			Population						
		% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			Net change in Location Of Branches (+ or -)			% of Population within Each Geography			
					Low	Mod	Upper	Low	Mod	Upper	Low	Mod	Upper	
PMSA 6160	100.00	2	100	50.00	0.00	50.00	0.00	0	0	0	27.66	36.41	23.48	12.30

Table 1. Lending Volume

Metropolitan Area/ Assessment Area	Geography: FLORIDA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
	% of Rated Area Loans (#) in MA/AA		Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Review:													
PMSA 2680	42.59	2,184	313,967	115	6,117	0	0	0	0	0	2,299	320,084	13.29
PMSA 5000	40.39	1,919	306,300	260	19,125	1	400	0	0	0	2,191	341,611	81.19
CMSA 4992	82.98	4,103	620,267	375	25,242	1	400	11	15,786	4,490	661,695	94.48	
Statewide								1	15,000	1	15,000		0.00
Limited Review:													
MSA 8960	17.00	864	151,803	55	12,162	0	0	0	0	0	919	163,965	5.52

* Loan data as of December 31, 2002. Rated area refers to either the state or multistate metropolitan area rating area. Of the home mortgages total, 331 home mortgage originations by HSBC Mortgage Co. are also counted as purchases by HSBC Bank USA. Of the 331 home mortgages, 259 are home purchase loans while 72 are refinancings.
 ** The evaluation period for community development loans is from October 1, 2000, to December 31, 2002.
 *** Deposit data as of June 30, 2002. Rated area refers to the state, multistate metropolitan area, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Metropolitan Area/ Assessment Area	Geography: FLORIDA										Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
	Total Home Purchase Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*					
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Upper			
Full Review:																
PMSA 2680	1,030	42.74	1.11	0.29	14.39	7.48	58.85	56.31	25.64	35.92	0.78	9.07	59.00	31.03		
PMSA 5000	1,012	41.99	3.26	1.98	12.86	7.11	40.83	33.50	43.05	57.41	2.81	10.48	34.07	52.63		
CMSA 4992	2,042	84.73	2.21	1.13	13.61	7.30	49.64	45.00	34.54	46.57	1.78	9.77	46.74	41.66		
Limited Review:																
MSA 8960	368	15.27	0.68	0.00	20.19	11.14	46.68	45.38	32.44	43.48	0.46	12.32	50.75	36.45		

* Based on 2001 Peer Mortgage Data: U.S. & PR.
 ** Home purchase loans originated and purchased in the metropolitan area/assessment area as a percentage of all home purchase loans originated and purchased in the rated area.
 *** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Metropolitan Area/ Assessment Area		Geography: FLORIDA																
		Total Home Improvement Loans		Low-Income Geographies			Mod-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Aggregate HMDA Lending (%) by Tract Income*		
		#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper	
PMSA 2680		3	37.50	1.11	0.00	14.39	0.00	58.85	66.67	25.64	33.33	0.61	9.49	55.96	33.91			
PMSA 5000		3	37.50	3.26	0.00	12.86	0.00	40.83	33.33	43.05	66.67	3.32	12.23	37.36	47.08			
CMSA 4992		6	75.00	2.21	0.00	13.61	0.00	49.64	50.00	34.54	50.00	1.98	10.88	46.57	40.56			
Limited Review:																		
MSA 8960		2	25.00	0.68	0.00	20.19	0.00	46.68	0.00	32.44	100.00	0.50	12.45	45.72	41.33			

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Metropolitan Area/ Assessment Area		Geography: FLORIDA																
		Total Home Mortgage Refinance		Low-Income Geographies			Mod-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Aggregate HMDA Lending (%) by Tract Income*		
		#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper	
PMSA 2680		1,151	45.19	1.11	0.26	14.39	4.60	58.85	49.09	25.64	46.05	0.71	8.54	55.28	35.46			
PMSA 5000		903	35.45	3.26	2.10	12.86	8.42	40.83	29.24	43.05	60.24	2.30	10.60	33.62	53.48			
CMSA 4992		2,054	80.64	2.21	1.07	13.61	6.28	49.64	40.36	34.54	52.29	1.50	9.56	44.55	44.39			
Limited Review:																		
MSA 8960		493	19.36	0.68	0.00	20.19	6.09	46.68	32.66	32.44	61.26	0.38	9.88	46.47	43.25			

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: FLORIDA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Total Multifamily Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% of MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Low	Mod	Mid	Upper					
PMSA 5000	1	50.00	13.42	0.00	21.25	0.00	36.01	100.00	29.33	0.00	25.70	30.62	33.19	10.49					
PMSA 2680	0	0.00	1.36	0.00	15.78	0.00	58.91	0.00	23.95	0.00	3.38	28.83	47.01	20.78					
CMSA 4992	1	50.00	7.78	0.00	18.69	0.00	46.71	100.00	26.81	0.00	15.61	29.81	39.44	15.14					
Limited Review:																			
MSA 8960	1	50.00	1.15	0.00	23.85	0.00	36.95	0.00	38.04	100.00	3.96	37.62	40.59	17.82					

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses***	% Bank Loans	Low	Mod	Mid	Upper					
PMSA 2680	115	26.74	5.50	2.61	16.37	12.17	50.86	42.61	27.25	42.61	4.05	13.26	49.39	31.30					
PMSA 5000	260	60.47	10.24	15.77	18.34	17.31	31.19	23.85	40.24	43.08	6.77	16.45	28.18	46.49					
CMSA 4992	375	87.21	8.21	11.73	17.49	15.73	39.63	29.60	34.67	42.93	5.59	15.06	37.40	39.88					
Limited Review:																			
MSA 8960	55	12.79	1.95	0.00	17.29	7.27	44.12	25.45	35.49	67.27	1.78	15.17	41.20	38.87					

* Based on 2000 Peer Small Business Data: U.S. & PR.

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

*** Source data - Dun and Bradstreet (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Metropolitan Area/ Assessment Area		Geography: FLORIDA												
		Geographic Distribution: SMALL LOANS TO FARMS				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002				
		Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*		
#	% of Total**	% of Farms***	% Bank Loans****	% of Farms***	% Bank Loans****	% of Farms***	% Bank Loans****	% of Farms***	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:														
PMSA 2680	0	0.00	3.14	0.00	18.30	0.00	0.00	50.36	0.00	28.20	6.67	6.67	33.33	53.33
PMSA 5000	1	100.00	2.92	0.00	11.85	0.00	100.00	36.85	100.00	48.37	7.89	7.89	23.68	60.53
CMSA 4992	1	100.00	3.03	0.00	14.96	0.00	100.00	43.36	100.00	38.65	7.55	7.55	26.42	58.49
Limited Review:														
MSA 8960	0	0.00	1.76	0.00	12.75	0.00	0.00	53.15	0.00	32.04	4.55	9.09	31.82	50.00

* Based on 2000 Peer Small Business Data: U.S. & PR.

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

*** Source data - Dun and Bradstreet (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Metropolitan Area/ Assessment Area		Geography: FLORIDA												
		Borrower Distribution: HOME PURCHASE				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002				Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002				
		Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*		
#	% of Total**	% of Families***	% Bank Loans****	% of Families***	% Bank Loans****	% of Families***	% Bank Loans****	% of Families***	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:														
PMSA 2680	1,030	42.74	19.63	9.91	18.27	22.66	22.51	22.55	39.59	44.88	7.94	23.31	26.16	42.59
PMSA 5000	1,012	41.99	23.32	2.67	16.40	15.10	19.19	23.46	41.09	58.77	3.09	15.72	27.38	53.81
CMSA 4992	2,042	84.73	21.81	6.41	17.17	19.00	20.55	22.99	40.47	51.60	5.57	19.61	26.75	48.06
Limited Review:														
MSA 8960	368	15.27	18.04	8.36	18.90	22.60	22.75	24.46	40.31	44.58	9.70	23.07	24.26	42.96

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

** As a percentage of loans with borrower income information available. No information was available for 12.78% of loans originated and purchased by the bank.

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
		Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
Metropolitan Area/ Assessment Area	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mid	Upper	
Full Review:																
PMSA 2680	3	37.50	19.63	33.33	18.27	33.33	22.51	0.00	39.59	33.33	6.45	16.75	24.56	52.24		
PMSA 5000	3	37.50	23.32	0.00	16.40	0.00	19.19	50.00	41.09	50.00	7.16	15.67	22.77	54.39		
CMSA 4992	6	75.00	21.81	20.00	17.17	20.00	20.55	20.00	40.47	40.00	6.81	16.21	23.66	53.32		
Limited Review:																
MSA 8960	2	25.00	18.04	0.00	18.90	50.00	22.75	0.00	40.31	50.00	7.98	15.14	24.57	52.32		

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

** As a percentage of loans with borrower income information available. No information was available for 12.5% of loans originated and purchased by the bank.

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002		
		Total Home Mortgage Refinance		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
Metropolitan Area/ Assessment Area	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mid	Upper			
Full Review:																
PMSA 2680	1,151	45.19	19.63	5.26	18.27	20.33	22.51	24.14	39.59	50.27	6.13	18.96	26.10	48.81		
PMSA 5000	903	35.45	23.32	3.70	16.40	11.22	19.19	23.99	41.09	61.10	3.74	14.17	24.32	57.77		
CMSA 4992	2,054	80.64	21.81	4.59	17.17	16.39	20.55	24.07	40.47	54.95	4.95	16.59	25.22	53.23		
Limited Review:																
MSA 8960	493	19.36	18.04	7.11	18.90	15.27	22.75	25.31	40.31	52.30	7.11	19.46	25.43	47.99		

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

** As a percentage of loans with borrower income information available. No information was available for 5.06% of loans originated and purchased by the bank.

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

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA		Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Aggregate Lending Data*		
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Revenues \$ 1 Million or Less
Full Review:									
PMSA 2680	115	26.74	84.98	62.61	89.57	5.22	5.22	43,741	15,087
PMSA 5000	260	60.47	82.04	58.46	81.54	13.46	5.00	56,890	20,440
CMSA 4992	375	87.21	83.31	59.73	84.00	10.93	5.07	100,631	35,527
Limited Review:									
MSA 8960	55	12.79	85.90	61.82	60.00	14.55	25.45	30,950	10,616

* Based on 2000 Peer Small Business Data: U.S. & PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.23% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA		Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		Aggregate Lending Data*		
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Revenues \$1 Million or Less
Full Review:									
PMSA 2680	0	0.00	89.25	0.00	0.00	0.00	0.00	15	12
PMSA 5000	1	100.00	87.64	0.00	0.00	100.00	100.00	38	17
CMSA 4992	1	100.00	88.42	0.00	0.00	100.00	100.00	53	29
Limited Review:									
MSA 8960	0	0.00	88.36	0.00	0.00	0.00	0.00	22	11

* Based on 2000 Peer Small Business Data: U.S. & PR.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FLORIDA		Evaluation Period: OCTOBER 1, 2000, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$(000' s)	#	\$(000' s)	#	\$(000' s)	% of Total	#	\$(000' s)
Full Review:									
PMSA 2680	0	0	1	1	1	1	0.08	0	0
PMSA 5000	0	0	0	1,257	8	1,257	99.92	0	0
CMSA 4992	0	0	9	1,258	9	1,258	100.00	0	0
Limited Review:									
MSA 8960	0	0	0	0	0	0	0.00	0	0

* "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

** "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS		Geography: FLORIDA		Evaluation Period: JANUARY 1, 2001, TO NOVEMBER 30, 2002												
Metropolitan Area/ Assessment Area	Deposits % of Rated Area Deposits in AA	Branches			Branch Openings/Closings			Population								
		# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			# of Branch Openings	# of Branch Closings	Net change in Location Of Branches (+ or -)							
				Low	Mod	Upper			Low	Mod	Upper	Low	Mid	Upper		
Full Review:																
PMSA 2680	13.29	2	25	0.00	0.00	100.00	0	0	0	0	0	0	3.25	18.55	54.95	23.17
PMSA 5000	81.19	5	63	20.00	0.00	60.00	1	0	0	1	0	0	9.18	19.43	39.47	31.91
CMSA 4992	94.48	7	88	14.29	0.00	71.43	1	0	0	1	0	0	6.85	19.08	45.56	28.47
Limited Review:																
MSA 8960	5.52	1	13	0.00	0.00	100.00	0	0	0	0	0	0	1.86	20.47	48.15	29.40

Table 1. Lending Volume

Lending Volume	Geography: CALIFORNIA Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002												
	Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
			#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Review:													
PMSA 5775	12.18	863	274,940	3	1,481	0	0	0	0	0	866	276,421	1.95
PMSA 7360	58.21	4,094	1,595,339	45	2,144	0	0	0	1,000	0	4,141	1,598,483	80.28
CMSA 7362	70.39	4,957	1,870,279	48	3,625	0	0	0	1,000	0	5,007	1,874,904	82.23
CMSA 4472	29.61	1,629	562,651	476	13,052	0	0	0	3,200	0	2,114	578,903	17.77

* Loan data as of December 31, 2002. Rated area refers to either the state or multistate metropolitan area rating area. Of the home mortgages total, 896 home mortgage originations by HSBC Mortgage Co. are also counted as purchases by HSBC Bank USA. Of the 896 home mortgages, 217 are home purchase loans while 679 are refinancings.
 ** The evaluation period for community development loans is from October 1, 2000, to December 31, 2002.
 *** Deposit data as of June 30, 2002. Rated area refers to the state, multistate metropolitan area, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE	Geography: CALIFORNIA Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002													
	Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Mod-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*		
		#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid
Full Review:														
PMSA 5775	216	13.71	14.12	8.80	24.77	20.83	30.69	29.17	30.42	41.20	19.39	26.27	30.18	24.06
PMSA 7360	877	55.65	1.20	2.28	11.96	16.42	46.73	42.30	40.11	39.00	2.23	15.00	46.36	36.41
CMSA 7362	1,093	69.35	4.32	3.57	15.06	17.29	42.85	39.71	37.77	39.43	6.90	18.07	41.96	33.05
CMSA 4472	483	30.65	3.35	1.04	15.66	7.04	28.98	25.26	52.02	66.67	3.98	16.12	31.96	47.92

* Based on 2001 Peer Mortgage Data: U.S. & PR.
 ** Home purchase loans originated and purchased in the metropolitan area/assessment area as a percentage of all home purchase loans originated and purchased in the rated area.
 *** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Metropolitan Area/ Assessment Area		Total Home Improvement Loans		Low-Income Geographies			Mod-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Aggregate HMDA Lending (%) by Tract Income*			
		#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper		
PMSA 5775		0	0.00	14.12	0.00	24.77	0.00	30.69	0.00	30.42	0.00	17.17	25.90	30.40	26.46				
PMSA 7360		0	0.00	1.20	0.00	11.96	0.00	46.73	0.00	40.11	0.00	1.97	14.45	46.28	37.28				
CMSA 7362		0	0.00	4.32	0.00	15.06	0.00	42.85	0.00	37.77	0.00	5.58	17.16	42.51	34.71				
CMSA 4472		1	100.00	3.35	0.00	15.66	0.00	28.98	0.00	52.02	100.00	3.76	16.64	29.90	49.67				

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Metropolitan Area/ Assessment Area		Total Home Mortgage Refinance		Low-Income Geographies			Mod-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Aggregate HMDA Lending (%) by Tract Income*			
		#	% of Total**	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper		
PMSA 5775		647	12.92	14.12	8.66	24.77	15.15	30.69	30.45	30.42	45.75	15.64	26.13	29.85	28.30				
PMSA 7360		3,217	64.22	1.20	1.62	11.96	11.19	46.73	43.39	40.11	43.80	1.57	12.00	45.85	40.58				
CMSA 7362		3,864	77.14	4.32	2.80	15.06	11.85	42.85	41.23	37.77	44.13	4.92	15.36	42.05	37.66				
CMSA 4472		1,145	22.86	3.35	0.70	15.66	7.51	28.98	23.93	52.02	67.86	2.86	13.51	30.01	53.60				

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Metropolitan Area/ Assessment Area		Total Small Business Loans		Low-Income Geographies		Mod-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
		#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses****	% Bank Loans	% of Businesses****	% Bank Loans	% of Businesses****	Low	Mod	Mid
Full Review:													
PMSA 5775	3	0.57	34.19	66.67	25.04	33.33	27.24	0.00	11.85	13.41	16.46	42.53	24.40
PMSA 7360	45	8.59	14.33	13.33	19.01	8.89	37.96	53.33	28.56	10.69	18.75	37.57	29.53
CMSA 7362	48	9.16	18.59	16.67	20.30	10.42	35.66	50.00	24.98	11.74	17.86	39.50	27.54
CMSA 4472	476	90.84	16.14	4.83	16.94	5.04	28.73	38.45	37.86	7.86	16.11	32.42	40.55

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

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

*** Source data - Dun and Bradstreet (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Metropolitan Area/ Assessment Area		Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers			Aggregate Lending Data*		
		#	% of Total**	% of Families***	% Bank Loans****	% of Families***	% Bank Loans****	% of Families***	% Bank Loans****	% of Families***	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:															
PMSA 5775	216	13.71	32.55	2.07	19.51	8.29	19.07	19.17	28.87	70.47	2.21	14.43	23.15		
PMSA 7360	877	55.65	19.83	0.27	18.18	3.72	22.65	17.82	39.34	78.19	1.16	5.52	15.87		
CMSA 7362	1,093	69.35	23.13	0.63	18.53	4.66	21.72	18.10	36.62	76.61	1.45	7.98	17.87	72.70	
CMSA 4472	483	30.65	26.87	0.00	17.46	3.47	17.81	15.59	37.87	80.94	1.13	7.75	20.31	70.80	

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

** As a percentage of loans with borrower income information available. No information was available for 14.4% of loans originated and purchased by the bank.

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper			
Full Review:																	
PMSA 5775	0	0.00	32.55	0.00	19.51	0.00	19.07	0.00	28.87	0.00	6.87	19.10	22.72	51.30			
PMSA 7360	0	0.00	19.83	0.00	18.18	0.00	22.65	0.00	39.34	0.00	5.05	12.48	22.57	59.90			
CMSA 7362	0	0.00	23.13	0.00	18.53	0.00	21.72	0.00	36.62	0.00	5.48	14.05	22.61	57.86			
CMSA 4472	1	100.00	26.87	0.00	17.46	0.00	17.81	0.00	37.87	100.00	3.73	9.35	17.80	69.12			

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

** As a percentage of loans with borrower income information available.

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA												Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Low	Mod	Mid	Upper			
Full Review:																	
PMSA 5775	647	12.92	32.55	1.56	19.51	9.53	19.07	24.61	28.87	64.30	5.13	18.14	25.58	51.15			
PMSA 7360	3,217	64.22	19.83	1.18	18.18	7.30	22.65	20.93	39.34	70.60	3.34	11.76	22.32	62.58			
CMSA 7362	3,864	77.14	23.13	1.25	18.53	7.69	21.72	21.57	36.62	69.49	3.77	13.28	23.10	59.86			
CMSA 4472	1,145	22.86	26.87	0.39	17.46	4.52	17.81	15.73	37.87	79.35	2.04	8.77	18.79	70.39			

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

** As a percentage of loans with borrower income information available. No information was available for 13.99% of loans originated and purchased by the bank.

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

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CALIFORNIA		Evaluation Period: JANUARY 1, 2001, TO DECEMBER 31, 2002				
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Aggregate Lending Data*			
	#	% of Total**	% of Businesses***	% Bank Loans****				
			Loans by Original Amount Regardless of Business Size		All			
			\$100,000 or less	> \$100,000 to \$250,000				
			Revenues		\$ 1 Million or Less			
			> \$250,000 to \$1,000,000					
Full Review:								
PMSA 5775	3	0.57	85.02	0.00	33.33	66.67	33,908	12,954
PMSA 7360	45	8.59	84.84	60.00	88.89	4.44	53,538	22,026
CMSA 7362	48	9.16	84.72	56.25	85.42	8.33	87,446	34,980
CMSA 4472	476	90.84	82.92	50.84	95.59	1.68	218,966	91,212

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

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.72% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA		Evaluation Period: OCTOBER 1, 2000, TO DECEMBER 31, 2002					
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$(000' s)	#	\$(000' s)	#	\$(000' s)	% of Total	#	\$(000' s)
Full Review:									
PMSA 5775	0	0	0	0	0	0	0.00	0	0
PMSA 7360	0	0	0	0	0	0	2.00	0	0
CMSA 7362	0	0	3	10	3	10	2.00	0	0
CMSA 4472	0	0	0	0	30	141	22.00	0	0
CALIFORNIA STATEWIDE	0	0	1	500	1	500	76.00	0	0

* "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

** "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

Metropolitan Area/ Assessment Area		DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Evaluation Period: JANUARY 1, 2001, TO NOVEMBER 30, 2002								
		Deposits					Branches					Branch Openings/Closings						Population		
		% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			# of Branch Openings	# of Branch Closings	Net change in Location Of Branches (+ or -)			% of Population within Each Geography							
Low	Mod				Upper	Low	Mod			Upper	Low	Mod	Upper							
Full Review:																				
PMSA 5775	1.95	1	25	100.00	0.00	0.00	0.00	0	0	0	0	0	0	24.90	32.63	26.16	16.12			
PMSA 7360	80.28	1	25	100.00	0.00	0.00	0	0	0	0	0	0	6.52	20.53	44.94	27.91				
CMSA 7362	82.23	2	50	100.00	0.00	0.00	1	0	0	0	0	0	11.34	23.70	40.02	24.82				
CMSA 4472	17.77	2	50	0.00	0.00	100.00	0	0	0	0	0	0	16.92	27.92	27.61	27.37				

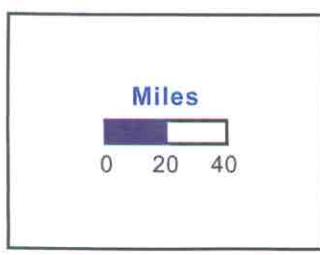
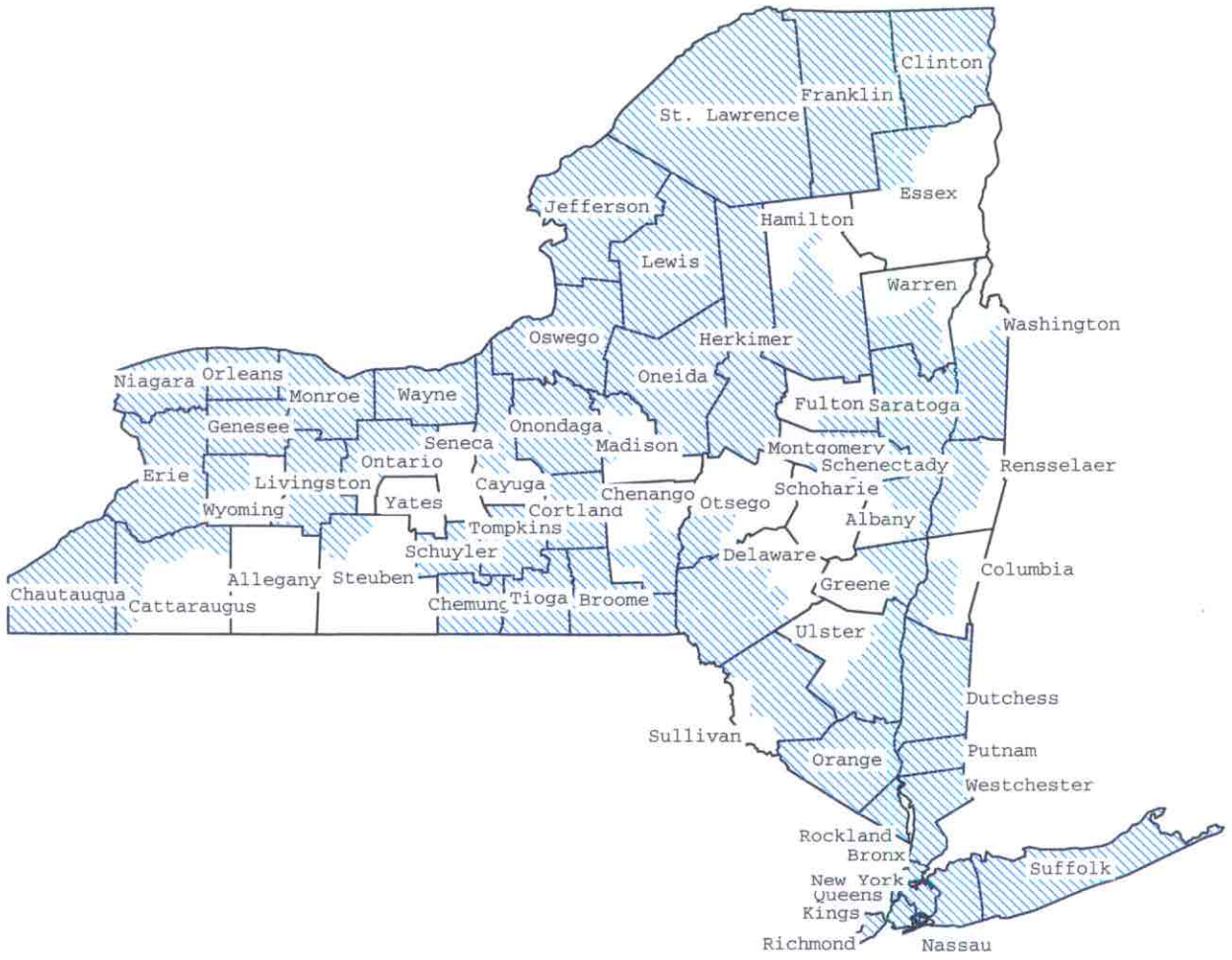
HSBC BANK USA

Assessment Area - New York

January 1, 2001 through December 31, 2002

Legend

- Counties
- ▨ Assessment Area



HSBC Bank USA

Assessment Area - Pennsylvania

January 1, 2001 through December 31, 2002

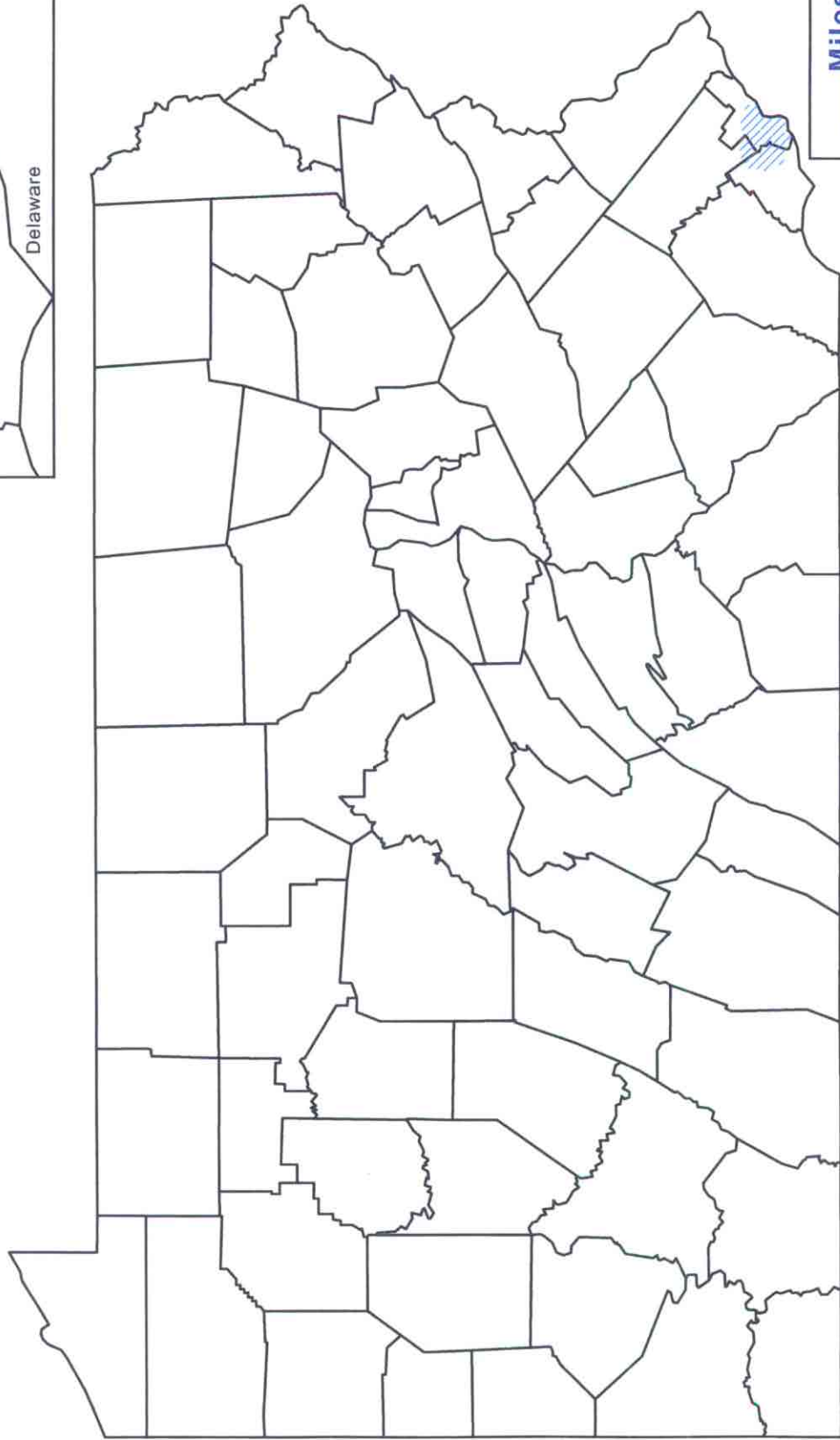
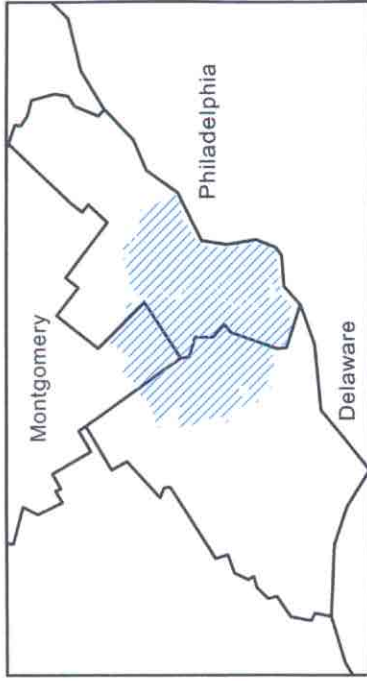
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Counties



Assessment Area



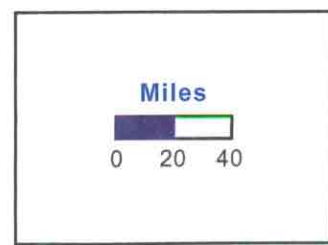
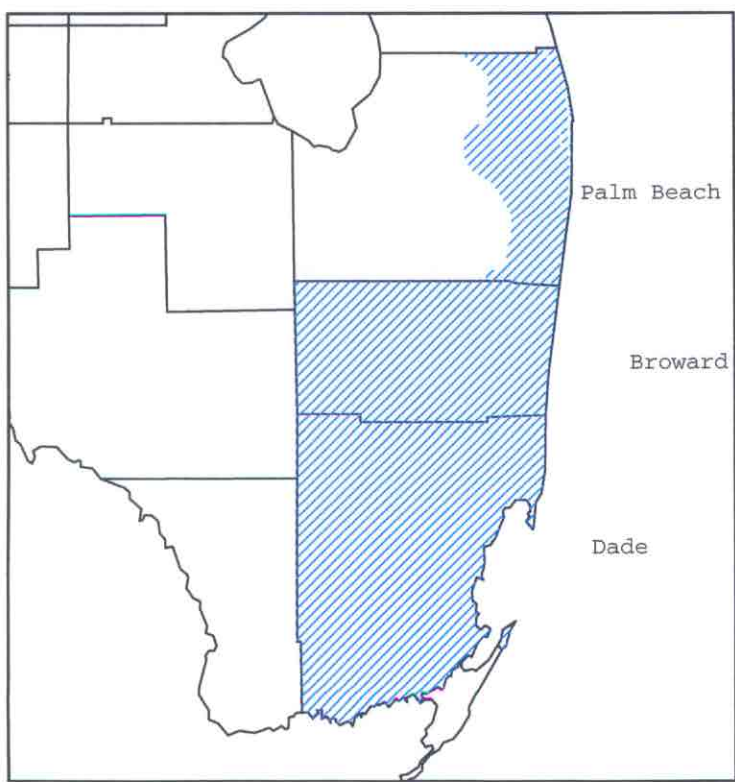
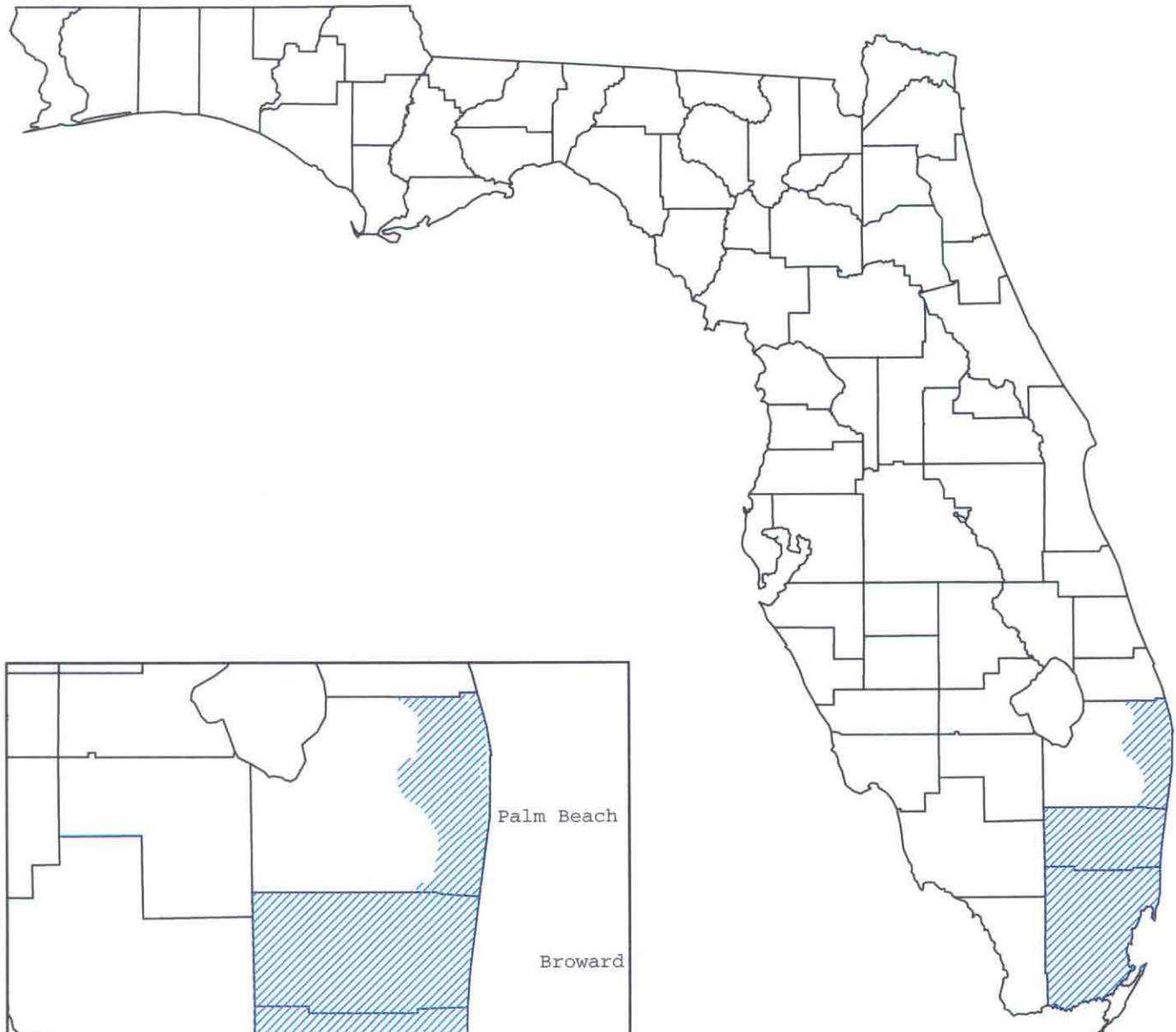
HSBC Bank USA

Assessment Area - Florida

January 1, 2001 through December 31, 2002

Legend

- Counties
- ▨ Assessment Area



HSBC Bank USA

Assessment Area - California

January 1, 2001 through December 31, 2002



Legend

Counties



Assessment Area

