



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Riggs Bank NA
Charter Number: 5046**

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McLean, Virginia 22101**

Office of the Comptroller of the Currency

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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not 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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Overall CRA Rating

Institution’s CRA Rating: This institution is rated “**Outstanding**”.

The following table indicates the performance level of **Riggs Bank N.A.** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Riggs Bank National Association 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 when arriving at an overall rating.

The major factors that support this rating include:

- The lending level reflects an excellent responsiveness to the credit needs of its assessment area.
- The large majority of the loans were originated within the bank’s assessment area.
- The distribution of loans by the income level of the geography in the assessment area is excellent.
- The distribution of loans by the income level of the borrower is excellent.
- The bank originated a high level of qualified community development loans, which had a positive impact on the Lending Test rating.
- Innovation and flexibility in product design and application had a positive effect on the Lending Test conclusions.
- The bank originated an excellent level of qualified investments.
- The bank’s service delivery systems are readily accessible to geographies and individuals of different income levels throughout the assessment area. The bank provides a relatively high level of community development services.

Definitions and Common Abbreviations

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

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

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 MA/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 (CT): 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 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.

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

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

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

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

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

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

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

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

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

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 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 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

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

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

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

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

Riggs Bank National Association (“Riggs”) is a \$6.6 billion interstate bank headquartered in McLean, Virginia. The bank is a wholly owned subsidiary of Riggs National Corporation (“RNC”), a \$6.8 billion holding company headquartered in Washington, D.C. Riggs’ assessment area consists of the District of Columbia, two contiguous counties in Maryland, and several counties and independent cities in Virginia. The assessment area is entirely within the Washington, D.C. Metropolitan Statistical Area (MSA). (Refer to the *Market Profile* in Appendix C for a complete description.) Banking and financial services offered by RNC include commercial and international banking, community banking services, trust and investment management services, and venture capital investing. RNC banking operations also include an investment advisory subsidiary in Washington, D.C. and New Haven, Connecticut; a commercial bank and a portfolio management services company in London, England; an Edge Act (federally chartered corporation allowed to engage only in international banking or other financial transactions related to international business) subsidiary in Miami, Florida; branch offices in London, Berlin, and Nassau; and two bank and trust companies, one in the Bahamas and the other in the Channel Islands. Subsidiary operations do not have any impact on the bank’s capacity for community reinvestment.

Wealth management continues to be a major business focus of Riggs’s operations. The bank specializes in banking and financial management products and services for individuals, nonprofit organizations, and businesses. The bank is also the dominant financial institution serving embassies, both in the U.S. and abroad. Riggs has a network of 48 domestic branches. Branch distribution includes 28 branches in Washington, D.C., 14 branches in Virginia and 6 branches in Maryland. Riggs & Company is the financial services division of the bank. Riggs & Company is the brand name for financial services focusing on investment, wealth management and private banking services. The activities of Riggs & Company provide a significant contribution to the bank’s revenue. The business strategy is committed to emphasizing fee income generated by this division of the bank. The Community Banking Group provides traditional retail banking services, such as mortgage and home equity loans, small business loans, and consumer loans. Numerous nonblank financial service providers, interstate banks, and credit unions provide strong competition for mortgage lending and small business lending. The business strategy did not include aggressive small business lending throughout this evaluation period. A decline in small business lending beginning in 1998 was accompanied by a reduction of business banking staff and products.

As of December 31, 2002, net loans represented forty-five percent of total assets. Net loans consisted of 1-4 family residential mortgage loans (44%), home equity loans (7%), multifamily residential mortgage loans (1%), commercial real estate loans (15%), commercial loans (20%), consumer loans (2%), construction loans (3%) and other loans (8%). Tier I capital totaled \$436 million.

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment area. Riggs's performance was rated "Satisfactory" at its last CRA examination dated October 4, 1999.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Lending Test evaluated home purchase loans, home improvement loans, home mortgage refinance loans, small loans to businesses, and consumer loans for the period from September 1, 1999 through December 31, 2002. The Investment Test, Service Test, and community development loans were evaluated for the period from September 1, 1999 through April 7, 2003. The bank does not originate multifamily loans or farm loans. Tables 5, 7 and 12 are not included. Consumer loans were reviewed at the request of management.

Data Integrity

This evaluation is based on accurate data. As part of this CRA evaluation, we relied upon management's internal review. No sampling of HMDA CRA, or consumer loan data was required at Riggs due to reliability of data from our sampling performed at the 1999 data integrity exam and the bank's adequate data gathering systems. CD loans, investments and services submitted by Riggs management were verified to ensure that they met the regulatory definition for community development. Some items submitted by Riggs for consideration were excluded from this evaluation because they did not meet the definition or purpose of community development.

Selection of Areas for Full-Scope Review

The bank's assessment area is located entirely within the Washington, D.C. Multistate MSA 8840 ("Washington D.C. MSA 8840"). The bank does not have any domestic branches outside of the Washington, D.C. MSA. Therefore, we conducted a full scope review of the bank's performance in the Washington D.C. MSA 8840.

Ratings

The bank's overall rating is based entirely on its performance within the Washington, D.C. MSA. When determining conclusions for each Assessment Area (AA) under the Lending Test, we weighted home mortgage loans more heavily than small loans to businesses. Of the home mortgage products, we weighted home purchase loans more heavily than home improvement loans or home refinance loans. This weighting is reflective of Riggs's loan volume for each product type over the evaluation period.

Other

Four community contacts were made to determine the credit needs in the assessment area. Credit needs identified by the community contacts were affordable housing and micro loan funds. Refer to the *Market Profile* in Appendix C for a summary of the community contacts.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Multistate Metropolitan Area Rating

Washington, D.C. MSA 8840

CRA rating for the Washington, D.C. MSA (D.C.-MD.-VA.)¹:

The lending test is rated: **Outstanding**
The investment test is rated: **Outstanding**
The service test is rated: **Outstanding**

The major factors that support this rating include:

- The lending level reflects an excellent responsiveness to the credit needs of its assessment area.
- The large majority of the loans were originated within the bank's assessment area.
- The distribution of loans by the income level of the geography in the assessment area is excellent.
- The distribution of loans by the income level of the borrower is excellent.
- The bank originated a high level of community development loans, which had a positive impact on the lending test rating.
- Innovation and flexibility in product design and application had a positive effect on the Lending Test conclusions.
- The bank originated an excellent level of qualified investments.
- The bank's service delivery systems are readily accessible to geographies and individuals of different income levels throughout the assessment area. The bank provides a relatively high level of community development services.

Description of Institution's Operations in Washington, D.C. MSA 8840

Refer to the market profile for the Washington, D.C. MSA 8840 in appendix C for detailed demographics and other performance context information.

LENDING TEST

¹ This rating reflects performance within the multistate metropolitan area.

Lending Activity

Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's lending activity.

Riggs' lending level in its assessment area reflects an excellent responsiveness to the credit needs of the community. The bank's performance measurements are significantly influenced by its competition, deposit base and overall business strategy. The bank competes for home mortgage loans with multi-state banks headquartered outside of the MSA, mortgage companies, and credit unions. A large percentage of the competing financial institutions are non-deposit taking companies. Wealth management and cash management services to the government continue to be the focus of the bank's business. Riggs receives a substantial amount of deposits from foreign embassies, the federal government, and large non-profit organizations, which tend to be more volatile than core deposits and, thus, less efficient for funding loans. As of June 30, 2002, average Embassy Deposits were 18.7% of total deposits.

The bank refocused its commitment to home mortgage lending in 2000, originating 3,725 loans during the assessment period. In addition, competition for small business lending is also strong within the bank's assessment area. During the previous CRA evaluation period (January 1, 1997 through August 31, 1999), the bank had substantially reduced its emphasis on small business lending. In 2002, the bank shifted its focus back towards small business lending.

Riggs was ranked 7th in deposit market share with 4.4% of deposits as of June 30, 2002. However, as mentioned above, a large percentage of deposits were not efficient for funding loans. The majority of the bank's origination of home mortgage loans, small loans to businesses, and consumer loans are in its assessment area. The bank was ranked 48th, 23rd, and 58th, respectively, in originations of home purchase loans, home improvement loans, and home mortgage refinance loans. The bank recorded market shares of home purchase loans, home improvement loans and home mortgage refinancing loans are 0.49 percent, 0.75 percent, and 0.36 percent, respectively. There are no locally based financial institutions in the assessment area that recorded over one percent of the market share of home mortgage lending. The bank was ranked 39th in originations of small business loans with a market share of 0.18 percent.

The bank has shown excellent responsiveness to the credit needs in its assessment area for community development loans. Community development loans originated during the evaluation period represented a fairly high volume at 19.3% of Tier 1 capital. Market analysis of community development lending is not available.

Distribution of Loans by Income Level of the Geography

The distribution of loans by income level of the geography is excellent. The overall distribution of home purchase loans, home improvement loans, home mortgage refinance loans, and small loans to businesses by the income level of the geography is

excellent. The distribution of consumer loans by the income level of the geography is good. A geographic analysis of multifamily loans is not meaningful.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in the “Washington, D.C. MSA 8840” section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The geographic distribution of home purchase loans by income level of the geography is excellent. The percentage of home purchase loans in low-income geographies exceeds the percentage of owner-occupied units in the geographies. The market share of home purchase loans in low-income geographies exceeds the overall market share of home purchase loans. The percentage of home purchase loans in moderate-income geographies exceeds the percentage of owner-occupied units in the geographies. The market share of home purchase loans in moderate-income geographies exceeds than the overall market share of home purchase loans.

The geographic distribution of home improvement loans by income level of the geography is excellent. The percentage of home improvement loans in low-income geographies exceeds the percentage of owner-occupied units in the geographies. The market share of home improvement loans in low-income geographies exceeds the overall market share of home improvement loans. The percentage of home improvement loans in moderate-income geographies is near to the percentage of owner-occupied units in the geographies. The market share of home improvement loans in moderate-income geographies exceeds the overall market share of home improvement loans.

The geographic distribution of home mortgage refinance loans by income level of the geography is good. The percentage of home mortgage refinance loans in low-income geographies is near to the percentage of owner-occupied units in the geographies. The market share of home mortgage refinance loans in low-income geographies exceeds the overall market share of home mortgage refinance loans. The percentage of home mortgage refinance loans in moderate-income geographies is near to the percentage of owner-occupied units in the geographies. The market share of home mortgage refinance loans in moderate-income geographies exceeds the overall market share of home mortgage refinance loans.

Small Loans to Businesses

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank’s origination/purchase of small loans to businesses.

The distribution of small loans to businesses by income level of geographies is excellent. The percentage of small loans to businesses in low-income geographies exceeds the percentage of small businesses in the geographies. The market share of small loans to businesses in low-income geographies exceeds the overall market share

for small loans to businesses. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of small businesses in these geographies. The bank's market share of small loans to businesses in moderate-income geographies exceeds the overall market share for small loans to businesses.

Consumer Loans

Refer to Table 13 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans by income level of the geography is good. The percentage of consumer loans in low-income geographies is near to the percentage of households in the geographies. The percentage of consumer loans in moderate-income geographies is less than the percentage of households in the geographies. There is no market share data available for consumer loans.

Lending Gap Analysis

There are no conspicuous or inappropriate gaps found in the bank's geographic distribution of loans. There are 882 census tracts in the bank's assessment area. We identified 77 in which the bank did not originate any loans. There are no people or businesses in 63 of these geographies. Five more are military reservations. Of the remaining nine, total populations are limited to fewer than 300, businesses are fewer than 20, and owner-occupied housing units are fewer than 25. Lending is inhibited in these geographies where opportunities are severely limited.

Inside/Outside Ratio

The bank originated the majority (86 percent) of its loans under review inside of the assessment area. The results of the analysis support the bank's commitment to addressing the credit needs of its assessment area. The bank originated 88 percent of the home mortgage loans within its assessment area. Eight-three percent of the dollar amount of home mortgage loans was originated within the assessment area. Home mortgage loans originated within the assessment area, as a percentage of number of loans and dollar amount, are as follows: home purchase mortgage loans (89.9 percent and 91 percent); home improvement loans (89.8 percent and 91.2 percent); home mortgage refinance loans (88 percent and 83 percent). The bank originated 87 percent of the number of small business loans within the assessment area. Seventy-three percent of the dollar amounts of the small business loans were within the assessment area. The bank originated 94 percent of its consumer loans within its assessment area. Ninety-two percent of the dollar amounts of total consumer loans were originated within the assessment area.

Distribution of Loans by Income Level of the Borrower

The distribution of loans by the income level of the borrower is excellent. The distribution of home purchase, home improvement, and home refinance loans is

excellent. The distribution of consumer loans by the income level of the borrower is good. The distribution of small loans to businesses of different sizes is good

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the “Washington, D.C. MSA 8840” section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of borrower is excellent especially when considering the high cost of housing in the AA compared to the income of a low-income person. The median housing value in the AA as of September 2002 is \$259 thousand. A low-income person earns less than \$45,750 based on the updated HUD median family income. Additionally, 6% of the households in the AA live below the poverty level. These factors make home ownership difficult for low-income borrowers, and limits the opportunities for home improvement and home refinance loans. We considered these mitigating factors in our analysis in home mortgage lending to low-income borrowers.

The distribution of home purchase loans by borrower income level is excellent. The percentage of home purchase loans to low-income borrowers exceeds the percentage of low-income families. The market share of home purchase loans to low-income borrowers exceeds the overall market share for home purchase loans. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families. The market share of home purchase loans to moderate-income borrowers exceeds the overall market share for home purchase loans.

The distribution of home improvement loans by borrower income level is excellent. The percentage of home purchase loans to low-income borrowers is less than the percentage of low-income families. The market share of home improvement loans to low-income borrowers exceeds the overall market share of home improvement loans. The percentage of home improvement loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families. The market share of home improvement loans to moderate-income borrowers exceeds the overall market share for home improvement loans.

The distribution of home mortgage refinance loans by borrower income level is excellent when considering the mitigating factors discussed above. The percentage of home mortgage refinance loans to low-income borrowers is below the percentage of low-income families based on the data in the table and other Public Evaluations reviewed. The market share of home mortgage refinance loans to low-income borrowers exceeds the overall market share for home mortgage refinance loans. The percentage of home mortgage refinance loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families. The market share of home mortgage refinance loans to moderate-income borrowers exceeds the overall market share for home mortgage refinance loans.

Small Loans to Businesses

Refer to Table 11 in the “Washington, D.C. MSA 8840” section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s origination/purchase of small loans to businesses.

The distribution of small loans to businesses of different sizes is good. The percentage of small loans to small businesses (businesses with revenues of \$1 million or less) substantially meets the percentage of small businesses. The market share of small loans to small businesses exceeds the market share of small loans to businesses.

Consumer Loans

Refer to Table 13 in the “Washington, D.C. MSA 8840” section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s consumer loan originations and purchases.

The distribution of consumer loans by income level of the borrower is excellent. The percentage of consumer loans to low-income borrowers exceeds than the percentage of low-income households. The percentage of consumer loans to moderate-income borrowers exceeds the percentage of moderate-income households.

Community Development Lending

Refer to Table 1 Lending Volume in the “Washington, D.C. MSA 8840” section of Appendix D for the facts and data used to evaluate the bank’s level of community development lending.

Riggs has originated an excellent level of community development loans within its assessment area, which had a positive impact on the lending test rating. Community development loans originated are particularly responsive to credit needs that support affordable housing and economic development activities. The bank originated 25 community development loans totaling \$104.9 million. The bank originated 23 community development loans within its assessment area totaling \$84.4 million. The total community development loans originated within the assessment area represented 19.3 percent of Tier I capital. In addition, the bank originated 2 community development loans totaling \$20.5 million in a broader statewide area (Baltimore, Maryland) that includes the bank’s assessment area. The loans made in Baltimore, Maryland do not benefit the bank’s assessment area. The bank received consideration for those community development loans due to its level of responsiveness to the community development needs within its assessment area. Examples of community development loans originated are as follows:

- The bank originated a loan for \$1.1 million to renovate a 62-unit apartment building in Hyattsville, Maryland. The apartment building provides affordable housing for low- and moderate-income tenants.

- The bank originated two loans for \$3.4 million to refinance a farmers market that serves low- and moderate-income residents. The market is located near the H Street business district. The property is located within an Enterprise Zone in Washington, D.C. Enterprise Zones are areas targeted for economic revitalization by the city government.
- The bank originated a loan for \$2.1 million to refinance the purchase of a shopping center in Oxon Hill, Maryland. The shopping center serves residents of low- and moderate-income geographies that surround the shopping center and attributes to the revitalization and stabilization of the neighborhood.
- The bank also originated two community development loans in a broader statewide area that is included its assessment area. The loans, totaling \$20.5 million, were made to projects in Baltimore's Empowerment Zones.

Product Innovation and Flexibility

Innovation and flexibility in product design and application had a positive effect on the Lending Test conclusions. Riggs offers a full array of standard loan programs and products, including first-time homebuyer programs with relaxed underwriting criteria for homebuyers who meet specific income, credit history, and debt ratio guidelines. Over one-half of the home purchase lending comes from the programs described below.

Riggs uses several flexible loan programs to serve the mortgage credit needs of the assessment area. The descriptions of their affordable mortgage programs are provided below. All of these products are available only to low or moderate-income borrowers.

Riggs 97 percent Fixed: The down payment required for this loan is 3% and the interest rate is 1/2% below the market rate. The appraisal and credit report fees are reimbursed at closing. Riggs has originated 101 loans totaling \$14.4 million during the evaluation period. This program is offered in conjunction with GE Mortgage.

Riggs 95 percent Fixed: This product requires a 5% down payment and the interest rate is 1/2% below the market rate. The appraisal and credit report fees are reimbursed at closing. Riggs originated 144 loans totaling \$18.3 million during the evaluation period. This program is offered in conjunction with FNMA.

Community Home Buyer (CHB) 95 percent Fixed: This product is offered in conjunction with Fannie Mae. A 5 percent down payment is needed and the interest rate is 1/2% below the market rate. This program also reimburses appraisal and credit report fees at closing. Riggs originated 173 loans totaling \$25.4 million during the evaluation period.

CHB 95 percent 3/2 Fixed: This program is also in conjunction with Fannie Mae. A 5% down payment is required. Two percent of the down payment may be from a grant or other assistance. This product also offers an interest rate 1/2% below market rate and

the appraisal and credit report fees are reimbursed at closing. While the bank continues to offer the program, no loans were originated during the evaluation period.

FHA Fixed: This program offers an interest rate that is 1/2% below the market rate. The appraisal and credit report fees are reimbursed at closing. Riggs originated 225 loans totaling \$31.4 million during the evaluation period.

VA Fixed: This program also offers an interest rate 1/2% below market rate with the appraisal and credit report fees reimbursed at closing. Riggs originated 28 loans totaling \$4.1 million during the evaluation period.

INVESTMENT TEST

Refer to Table 14 in the “Washington D.C. MSA 8840” section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

Riggs originated an excellent level of qualified investments. Funding to finance affordable housing for LMI individuals is a primary credit need in the assessment area. Assessment area investments are available, but limited by intense competition among local financial institutions. The bank has invested \$118.2 million in FNMA and GNMA pools of mortgage-backed securities. The investments represented 27 percent of Tier I capital. The securities are collateralized by mortgages on single residences and multi-family dwellings to LMI families in the assessment area. These investments play a vital role in increasing the level of funds available for affordable mortgages in the assessment area. While, the investments are neither innovative nor complex, the level of investments to the bank’s tier one capital is significant. The bank has chosen to pursue an investment strategy that it considers conservative.

The bank also has donated to numerous community-based organizations and social service agencies to address funding needs for affordable housing, economic development, and community services. Other donations and investments include a \$100,000 deposit in a Community Development Financial Institution. The deposit earned the bank the *Bank Enterprise Award (BEA)* recognition. The *Bank Enterprise Award Program* is administered by the Community Development Financial Institutions (CDFI) Fund of the U.S. Treasury. The *BEA Program* offers cash incentives to regulated financial institutions to invest in or make deposits in CDFIs. The *BEA Program* is designed to help CDFIs increase deposits that ultimately benefit distressed communities. The bank also made grants and charitable contributions totaling \$509.4 thousand to various organizations that conduct qualified community development activities. Four qualified investments totaling \$1.3 million remain outstanding from the prior evaluation periods.

SERVICE TEST

Retail Banking Services

Refer to Table 15 in the “Washington, D.C. MSA 8840” section of appendix D for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.

Riggs service delivery systems are readily accessible to geographies and individuals of different income levels throughout the assessment area. The bank has a network of 48 branches; however, two of the branches are not located in census tracts with income designations and will not be part of the analysis. The distribution of branches in low- and moderate-income geographies compares favorably to the population distribution in the AA. Six branches (13.0%) are located in low-income geographies where 5.02% of the population resides. Eight branches (17.4%) are located in moderate-income geographies where 22.19% of the population resides. Fifteen branches (32.6%) are located in middle-income geographies where 42.72% of the population resides. Seventeen branches (37.0%) are located in upper-income geographies where 30.00% of the population resides.

The services and business hours at the branches are reasonable and do not vary in a way that inconvenience individuals residing in low- and moderate-income geographies. Of the 48 branches, 19 have Saturday hours servicing all the regions of the bank’s assessment area. Three branches located in moderate-income geographies have Saturday hours. In addition, four branches with Saturday hours that are located in middle-income geographies serve a large percentage of customers from low- and moderate-income geographies. A large percentage of the branches located in the low- and moderate-income census tracts are in business districts where there is minimal activity on Saturdays. The bank reviews their extended hours services for all branches to identify the need for any changes.

Riggs has identified 12 branches as “CRA Calling Officer Branches”. Riggs targeted these branches for the calling program because of their proximity to low- and moderate-income customers. Two officers have been assigned to the 12 branches. The calling officers conduct outreach activities targeting low- and moderate-income persons and small businesses in the surrounding communities. Outreach activities have resulted in seminars, small business loan originations, and referrals to community-based organizations for technical assistance.

The bank’s primary alternative delivery systems are ATMs and Internet banking. Riggs has 142 ATMs of which fifteen (10.56%) are located in low-income geographies. Twenty-five (17.61%) are located in moderate-income geographies. Forty-four (30.99%) are located in middle-income geographies. Fifty-one (35.92%) are located in upper-income geographies. Seven (4.93%) are located in geographies that do not have income classifications. Sixty-four ATMs are located at branches and seventy-eight at non-branch locations. Of the 78 non-branch ATMs, 21 are deposit-taking full service ATMs, and 57 provide cash only. Of the 21 deposit-taking full service ATMs, 6 are located in low-income geographies, and 2 are located in moderate-income geographies, 4 are located in middle-income geographies, and 9 are located in upper-income geographies. Of the 57 cash only ATMs, 5 are in low-income geographies, and 10 are

in moderate-income geographies, 18 are in middle-income geographies, and 24 are in upper-income geographies.

Internet banking is offered to all of Riggs' customers by way of its website. Bank records show that Internet banking usage by customers from low- and moderate-income geographies compares favorably to the percentage of individuals residing in low- and moderate-income geographies. I

Riggs record of opening and closing branch offices has not affected the accessibility of the bank's services to low- and moderate-income individuals. During the evaluation period, the bank opened two branches and closed seven. Three branches were closed in low-income geographies. Two branches were closed in moderate-income geographies. Two branches were closed in upper-income geographies. One branch was opened in a moderate-income geography and upper-income geography, respectively. With the exception of the closing of the Manassas Mall Branch (moderate-income geography), alternative branches were located within reasonable proximity of the closed branches. Branch closings were due to profitability issues.

Community Development Services

Riggs provides a relatively high level of community development services. The primary services offered by the bank include providing financial expertise to a variety of community development and service organizations; participation on the boards of directors for organizations which provide community development services; and conducting seminars on home buying and financial management. The bank has taken a leadership role in sponsoring community development services such as savings programs for youth and credit counseling seminars.

The bank serves as a sponsor for nonprofit organizations to obtain grants through the *Affordable Housing Program (AHP)* offered by the Federal Home Loan Bank of Atlanta. The AHP provides funding to assist in the development of affordable housing. The bank approves applications from nonprofit developers applying for grant funds. The bank provides technical expertise in the development of the grant proposals. Riggs has approved and administered grants for 15 projects representing over 715 units of affordable housing during the evaluation period.

Riggs took an active role in the development of a business resource center ("the center") in 2000. The business center, a D.C. Chamber of Commerce ("the Chamber") initiative, provides a number of financial services to small businesses. The bank has partnered with the center to provide technical assistance and conducts small business seminars. A bank loan officer is on call at all times to meet with customers of the center. The technical assistance that Riggs's Officers provided has allowed the business patrons of the center to obtain credit through the Small Business Administration and other small business lending programs.

Riggs participated in or sponsored numerous seminars that provided training and assistance on home buying, consumer loans, debt and credit management, and building

financial knowledge and relationships with financial institutions. All seminars targeted small businesses and low- and moderate-income individuals. Examples of seminars include the following:

Riggs develops and administers *the Blessings for the Children* program. The program is an innovative youth savings program and workshops for the primary benefit of low- and moderate-income children, which is offered through a number of churches in low- and moderate-income communities. The workshops teach youth the principles of saving, budgeting and banking fundamentals. The bank developed the software and now provides on-going support. To date over 24 seminars have been given in the 26 member churches representing over 1,000 youth savings accounts that have been opened as a result.

The bank participated in Community Loan Days, a series of workshop sponsored by a business resource center. Bank employees served as instructors at the workshops that provide guidance on applying for consumer loans, mortgage loans, and small business loans.

The bank provided technical assistance for a sponsored series of *Money Smart* seminars. *Money Smart* is an adult educational program developed by the Federal Deposit Insurance Corporation (FDIC) as a training program to help adults outside the financial mainstream enhance their money skills and create positive banking relationships.

The bank provided training and technical assistance for several Small Business Workshops in conjunction with several community based organizations and a collective banking group. The workshops provided advice and counseling on a variety of business issues including management, accounting, banking, and legal expertise to prospective or existing small business owners.

Riggs collaborated with several groups to conduct Home Buyers Education Workshops providing technical assistance that primarily benefited low- and moderate-income individuals.

Bank employees participate in numerous organizations that provide community development services. In many instances, bank employees hold positions of leadership with the organizations. Some of the organizations that bank employees are actively involved in are as follows:

A Senior Vice President serves as Chairperson of the District of Columbia Housing Authority. The Authority administers public housing in Washington, D.C. and the Department of Housing and Urban Development's Section 8 voucher program.

A Senior Vice President serves as President of the United Planning Organization, a poverty agency that provides day care and social services serving low- and moderate-income individuals.

A Senior Vice President served as Chairperson for the H Street Community Development Corporation, the largest community development corporation in Washington, D.C. The mission of the organization is the economic revitalization of H Street corridor, a low- to moderate-income area.

A Senior Vice President served as Chairperson of the District of Columbia Business & Economic Committee that developed and created funding for the Georgia Avenue Business Resource Center that provides business technical assistance to approximately 400 small businesses in LMI areas.

A Vice President serves as Chairperson of the Women's Community Development Corporation. The organization rehabilitates, owns and operates low- and moderate-income housing and provides small business lending opportunities.

Riggs employees participated in the *Community Tax Aid, Incorporated/Tax Assistance Program 2000*. Participants in the program assist low- and moderate-income individuals prepare income tax returns.

Riggs is one of six banks that have entered into a covenant relationship with The Collective Banking Group (CBG) of Prince George's County and Vicinity, Inc. The CBG is a faith-based non-profit organization that was formed in 1995 to stimulate and actualize economic empowerment in the Washington metropolitan area. The CBG holds conferences targeted to low- and moderate-income individuals on how to eliminate debt, obtain a loan, and purchase a home. Riggs's staff provides the training and technical assistance.

Riggs was a contributing member of the Metro Bankers Consortium in establishing the *Child Care Works (CCW)* initiative. CCW is a mini micro-loan pool aimed at increasing the number of licensed family child care providers in Washington, D.C. CCW includes a range of services to assist family child care providers; from helping them become established to helping them file their taxes. Riggs administers the loan fund.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (09/01/1999 to 12/31/2002) Investment and Service Tests and CD Loans: (09/01/199 to 04/07/2003)	
Financial Institution		Products Reviewed
(Riggs Bank NA (Riggs) McLean, Virginia		home purchase loans, home improvement loans, home mortgage refinance loans, small loans to businesses, community development loans and consumer loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Washing, D.C. MSA 8840	Full Scope	N.A.

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

<i>Washington, D.C. MSA 8840</i>	C-2
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Washington, D.C. MSA 8840

Demographic Information for Full-Scope Area: Washington, DC MSA 8840						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	882	6.69	20.75	38.32	26.64	7.6%
Population by Geography	3,473,475	5.02	22.19	42.72	30.00	0.07
Owner-Occupied Housing by Geography	768,862	1.42	13.69	46.54	38.36	0.00
Businesses by Geography	266,886	3.56	16.18	42.59	36.25	1.43
Farms by Geography	3,167	0.98	10.51	49.26	39.09	0.16
Family Distribution by Income Level	859,710	16.92	17.73	24.26	41.09	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	297,881	10.55	35.47	40.89	13.09	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$52,807 = \$91,500 = 6.18	Median Housing Value Unemployment Rate			= \$189,466 = 2.22%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

Riggs' assessment area is located entirely within the Washington, D.C. MSA. The Washington, D.C. MSA is a multistate MSA that includes the District of Columbia counties in Maryland, Virginia, and West Virginia. The bank has identified its assessment area as follows:

- Washington, D.C.
- Maryland counties of Montgomery and Prince George's
- Virginia counties of Arlington, Fairfax, Prince Williams
- Virginia cities of Alexandria, Fairfax, Manassas, Falls Church and Manassas Park

The assessment area is comprised of 882 geographies. The geographies are classified by income level as follows: 59 low-income (6.69%), 183 moderate-income (20.75%), 338 middle-income (38.32%), 235 upper-income (26.64%) and 67 nonclassified (7.6%). The assessment area does not arbitrarily exclude low- or moderate-income geographies. The bank has a network of 48 branches (28 in Washington, D.C., 14 in Virginia, and 6 in Maryland) and 142 ATMs.

The economy in the assessment area continues to be strong. The unemployment rate of 2.2 percent is below the national average. The federal government continues to be the largest employer. Other large employers in the assessment area include US Airways, Inc., Safeway Stores, Inc., and the University of Maryland at College Park.

Employment in Washington, D.C. has shown signs of recovery due to increased federal spending, lobbying, and related activities.

Banking competition in the assessment area is very strong. Competition comes from the numerous interstate banks, mortgage lenders, and other financial institutions in the assessment area. Wealth management is the primary business focus of the bank. The bank continues to offer traditional banking products.

Housing costs in the area are high. The median housing value in the assessment area as of September 20, 2002 is \$259,300. The 2002 updated median family income is \$91,500. Housing cost in the assessment area makes it difficult for low- and moderate-income individuals to afford to purchase a home. This is particularly true in Washington, D.C. where 52 of the 59 low-income geographies are located. The percentage of families below the poverty level is 6.18 percent.

Four community contacts were made to determine the credit needs in the assessment area. The community contacts were held with two community development financial institutions (CDFI), a community development corporation, and a community development financial intermediary. Credit needs identified by the community contacts were for affordable housing and micro loan funds. Funding needs exist to support loan funds for construction of affordable housing and small businesses. Information provided by our Community Affairs Division identified many diverse community development investment opportunities including capital for loan funds and equity funding for community development entities (CDE) that have received tax credit awards to provide investments in low-income communities.

Appendix D: Tables of Performance Data

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CONTENT OF STANDARDIZED TABLES	D-2
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WASHINGTON, D.C. MSA 8840	D-ERROR! BOOKMARK NOT DEFINED.

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

Table 1. Other Products - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multifamily Loans - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

Table 7. **Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

Table 8. **Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

Table 9. **Borrower Distribution of Home Improvement Loans** - See Table 8.

Table 10. **Borrower Distribution of Refinance Loans** - See Table 8.

Table 11. **Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. **Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to

\$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

Washington, D.C. MSA 8840

Table 1. Lending Volume

LENDING VOLUME 2002		Geography: WASHINGTON, D.C. MSA 8840						Evaluation Period: September, 01, 1999 To December 31,				
MA/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:												
WASH., D.C. MSA 8840	100.00	3,725	749,669	586	76,113	0	0	23	84,360	4334	910,142	100.00
BROADER GEOGRAPHIC AREA								2	20,500			

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is September 1, 1999 to March 31, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME 31, 2002		Geography: WASHINGTON, D.C. MSA 8840						Evaluation Period: September 01, 1999 To December 31, 2002						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
WASH., D.C. MSA 8840	100.00	23,239	470,864	0	0	5,344	354,207	1,286	20,963	0	0	519	9,245	100.00

* Loan Data as of December 31, 1992. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From September 01, 1999 to December 31, 2002.

*** Deposit Data as of June 30, 2002. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME December 31, 2002		Geography: WASHINGTON, D.C. MSA 8840		Evaluation Period: September 01, 1999 To	
MA/Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
WASH., D.C. MSA 8840	16,090	86,449	0	0	

(*)The evaluation period for Optional Product Line(s) is from September 01, 1999 to December 31, 2002.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE December 31, 2002		Geography: WASHINGTON, D.C. MSA 8840						Evaluation Period: September 01, 1999 To							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	1,987	100.00	1.42	2.26	13.69	20.03	46.54	46.55	38.36	31.15	0.49	0.77	0.76	0.51	0.36

* Based on 2001 Peer Mortgage Data: Combined NESE Region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT December 31, 2002		Geography: WASHINGTON, D.C. MSA 8840								Evaluation Period: September 01, 1999 To					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	167	100.00	1.42	1.80	13.69	13.17	46.54	43.71	38.36	40.72	0.75	1.28	1.06	0.72	0.64

* Based on 2001 Peer Mortgage Data: Combined NESE Region.

** Home improvement loans originated and purchased in the MA/AA 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: WASHINGTON, D.C. MSA 8840 Evaluation Period: September 01, 1999 To December 31, 2002													
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	1571	100.00	1.42	1.15	13.69	12.03	46.54	35.84	38.36	50.99	0.36	0.60	0.59	0.32	0.35

* Based on 2001 Peer Mortgage Data: Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by 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			Geography: WASHINGTON, D.C. MSA 8840								Evaluation Period: September 01, 1999 To December 31, 2002				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	586	100.00	3.56	9.68	16.18	18.84	42.59	28.87	36.25	42.61	0.18	0.23	0.31	0.13	0.20

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

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

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE December 31, 2002		Geography: WASHINGTON, D.C. MSA 8840								Evaluation Period: September 01, 1999 To					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families**	% BANK Loans**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	1,987	100.00	16.92	22.43	17.73	39.65	24.26	17.82	41.09	20.10	0.58	1.14	0.86	0.40	0.30

* Based on 2001 Peer Mortgage Data: Combined NESE Region.

** As a percentage of loans with borrower income information available. No information was available for 0.60% of loans originated and purchased by Bank.

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

**** Home purchase loans originated and purchased in the MA/AA 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 December 31, 2002		Geography: WASHINGTON, D.C. MSA 8840								Evaluation Period: September 01, 1999 To					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	167	100.00	16.92	9.64	17.73	33.13	24.26	22.29	41.09	34.94	0.84	1.22	1.15	0.60	0.69

* Based on 2001 Peer Mortgage Data: Combined NESE Region.

** As a percentage of loans with borrower income information available. No information was available for 0.60% of loans originated and purchased by Bank.

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

**** Home improvement loans originated and purchased in the MA/AA 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 December 31, 2002			Geography: WASHINGTON, D.C. MSA 8840								Evaluation Period: September 01, 1999 To				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
WASH., D.C. MSA 8840	1571	100.00	16.92	13.79	17.73	26.08	24.26	18.82	41.09	41.31	0.48	1.17	0.80	0.29	0.35

* Based on 2001 Peer Mortgage Data: Combined NESE Region.

** As a percentage of loans with borrower income information available. No information was available for 2.61% of loans originated and purchased by Bank.

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

**** Home mortgage refinance loans originated and purchased in the MA/AA 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: WASHINGTON, D.C. MSA 8840		Evaluation Period: September 01, 1999 To December 31, 2002					
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
WASH., D.C. MSA 8840	556	100.00	70.16	67.81	72.70	12.29	15.02	0.18	0.30

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

** Small loans to businesses originated and purchased in the MA/AA 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 - 2002).

**** 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 0.18% of small loans to businesses originated and purchased by the Bank.

Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: WASHINGTON, D.C. MSA 8840																			Evaluation Period: September 01, 1999 To December 31, 2002																		
MA/Assessment Area:	Geographic Distribution										Borrower Distribution																																													
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers																																							
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans																																						
Full Review:																																																								
WASH., D.C. MSA 8840	23,239	100.00	4.88	4.97	23.00	20.90	43.67	33.58	28.46	40.42	19.14	30.79	17.74	22.07	22.38	18.57	40.73	28.57																																						

* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

** Percentage of Households is based on the 1990 Census Information.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2003		Geography: WASHINGTON, D.C. MSA 8840				Evaluation Period: September 01, 1999 To April 7,			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
WASH., D.C. MSA 8840	4	1,284	241	118,839	245	120,123	100.00	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: WASHINGTON, D.C. MSA 8840 Evaluation Period: September 01, 1999 To April 07, 2003																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
WASH., D.C. MSA 8840	100.00	46	100.00	13.0	17.4	32.6	37.0	2	7	-3	-1	0	-1	5.02	22.19	42.72	30.00

