



Comptroller of the Currency
Administrator of National Banks

Large Bank Supervision
Washington, DC 20219

Public Disclosure

December 3, 1997

Community Reinvestment Act Performance Evaluation

**Mellon Bank (DE) National Association
Charter Number 17629
919 N. Market Street
Wilmington, DE 19801**

Office of the Comptroller of the Currency
Large Bank Supervision
250 E Street, SW
Washington, DC 20219

NOTE: 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.

Table of Contents

General Information	1
Description of Institution	2
Description of Assessment Areas	3
Community Contacts	3
Conclusions with Respect to Performance Tests for Mellon Bank (DE) National Association	
Lending Test	4
Investment Test	7
Service Test	8
Fair Lending Review	10
Appendix	
Appendix A - Scope of Examination	A-1
Appendix B - Demographic Information	A-2
Appendix C - Tables to Support Conclusions	A-3
Appendix D - Abbreviations	A-11

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency, when examining financial institutions subject to its supervision, to use its authority to assess the 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. Upon the examination's conclusion, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Mellon Bank (DE) National Association**, (Mellon DE) prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **December 3, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with provisions set forth in Appendix A to 12 CFR Part 25.

Institution's CRA Rating: This institution is rated **Satisfactory**.

- Lending levels reflect good responsiveness to the credit needs of the assessment areas.
- Approximately 80 percent of the number of all loans and 93 percent of the number of HMDA reportable loans were originated in the assessment areas.
- The distribution of loans to different income geographies is consistent with the income demographics of the assessment areas.
- Innovative and flexible lending practices are employed to help address special credit needs.
- Given the limited opportunities, the level of community development lending is adequate.
- Given the limited opportunities available, the level of qualified community development investments in the assessment areas is adequate.
- Delivery systems are accessible to essentially all portions of the assessment areas.
- An adequate level of community development services is provided.

The following table indicates the performance level of **Mellon Bank (DE) National Association** with respect to the lending, investment, and service tests.

Performance Levels	Mellon Bank (DE) National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

Description of Institution

Mellon Bank DE which is located in Wilmington, Delaware, is a wholly owned subsidiary of Mellon Bank Corporation, a bank holding company with \$45 billion in assets. Mellon Bank Corporation is a major financial services company headquartered in Pittsburgh, Pennsylvania. Among the banking services provided are a full array of consumer and commercial loans. Credit cards are also offered through this institution. Mortgages are provided through an affiliated mortgage company located in Texas and the bank. Mellon Bank Community Development Corporation (MBCDC), a subsidiary of the holding company, makes investments and loans that are not normally acceptable by bank standards.

Mellon DE serves all three counties in the State of Delaware, i.e., New Castle, Kent and Sussex. It is the fifth largest bank in Delaware with a 4 percent market share. Major competitors, especially in New Castle County, include Wilmington Trust Company (31 percent market share), PNC (17 percent market share), Wilmington Savings Fund Society, and CoreStates. The remaining market share is divided among several community banks located throughout the assessment areas. Mellon DE's market share is 4.6 percent in New Castle County, 13 percent in Kent County and 6 percent in Sussex County.

There are no impediments which would hamper Mellon DE's ability to help meet the credit needs of its community. As of June 30, 1997, Mellon DE had total assets of \$1.6 billion of which \$1.1 billion is related to credit card lending; Tier I capital of \$261 million; and a return on average assets of 1.34 percent. The loan portfolio is comprised of 11 percent real estate, 3 percent commercial, 78 percent credit card, 7 percent consumer and 1 percent other loans.

Description of Assessment Areas

Mellon DE's assessment areas are the three counties that make up the State of Delaware. These are New Castle County in PMSA 9160, Kent County in MSA 2190, and Non-MSA 9999 Sussex County. According to 1996 estimates, Delaware's population increased 9 percent from 1990. The population is dispersed among 175 census tracts ranging from New Castle County to the less populated tracts in Kent and Sussex counties. New Castle County is the most densely populated county, with approximately two-thirds of the population. Sussex County has the largest land area but only 17 percent of the state's population.

Employment performance for the State and its key cities, both located in New Castle County, is tracking the U.S. average. New Castle County has an urban composition. The largest employer category in New Castle County is the financial industry, followed by the chemical industry and government. Both Kent and Sussex counties have similar rural compositions. The largest employers are the government and the poultry industry, respectively.

According to the Delaware Department of Labor, the largest employment sector is the financial services industries. The banking industry is faced with an exceedingly high level of competition for community investment opportunities, especially in New Castle County where several major institutions house their credit card operations. The competition has forced many lending institutions to work together in responding to community credit needs. These institutions are also exploring partnerships with local governments and community organizations to help meet the needs of the local community.

Tables 1-A and 1-B in the [Appendix B](#) section of this evaluation contain census tract data about the Assessment Areas. The tables allow us to compare the distribution of housing, population and census tract characteristics in each MSA as well as the distribution within the State of Delaware.

Community Contacts

The following paragraph is based on community contacts conducted during the examination and on analysis of selected parts of the State of Delaware's Consolidated Plans. The contacts were done in New Castle County. The analysis included contacts from the other regulatory agencies in this analysis. This paragraph should not be considered all-encompassing. However, it reflects areas of concern that provide opportunities to meet community investment needs of the communities. Special emphasis is given to affordable housing and community development activities.

Among the more prominently identified community needs are creating opportunities for first-time home buyers, increasing the supply of low-income rental housing, and rehabilitating substandard housing owned by low-income families. Job training, health care and education were cited as the types of social services needed in the assessment area. Small business lending activity, specifically in the Wilmington Enterprise Community, was cited as a need of the assessment area.

Conclusions with Respect to Performance Tests

LENDING TEST

Lending Activity

Mellon DE offers a variety of real estate, consumer and small business loans. The volumes reflect good responsiveness to area credit needs.

From January 1, 1996, to June 30, 1997, Mellon DE originated or purchased 1,127 HMDA reportable loans totaling \$71.6 million. In 1996, it ranked eighteenth among all mortgage lenders in its combined assessment areas, but fourth among all bank lenders. Also from January 1, 1996, to June 30, 1997, the bank originated 927 reportable small business and farm loans for \$84 million and 3,910 consumer loans for \$52.6 million.

Assessment Area Concentration

Mellon DE made a high percentage of its loans in the three assessment areas. During the evaluation period, they originated 80 percent of the number of reportable loans¹ and 93 percent of the dollar volume within the assessment areas. Mellon DE originated 93 percent of the number and 95 percent of the dollar volume of HMDA reportable loans within the assessment areas. In the case of business and farm loans, the bank originated 52 percent of the number of loans and 89 percent of the dollar volume of loans within the assessment areas. Mellon DE originated 92 percent of the number of consumer loans and 90 percent of the dollar volume within the assessment areas.

Geographic Distribution

Home Mortgage Lending

Mellon DE's geographic distribution of HMDA reportable loans are consistent with the proportion of owner-occupied housing in the assessment areas. (See Table 2-D in Appendix C.) For the evaluation period, the percentage of home purchase loans made within moderate income census tracts is similar to the percentage of owner-occupied housing within those tracts. The percentage of home purchase loans made in low income census tracts is slightly less than the percentage of owner-occupied homes within low income census tracts. In two assessment areas, there are no measurable low income owner-occupied homes and overall only one percent, or 2,000 homes, are located in low income census tracts. These homes are all located in New Castle County.

Penetration ratios are measured by dividing the number of loans made in each census tract type by the number of owner-occupied housing units in each type of census tract. During the evaluation period, the bank had a penetration ratio of 0.3 percent for the low income census tracts and a 0.5 percent for the moderate income census tracts. (Refer to Table 3-A in Appendix C.) The penetration ratios rose to 0.7 percent and 0.6 percent for the middle and upper income census tracts, respectively. For 1996, Mellon DE had an overall market share of 1.55 percent for home purchase loans. This

¹: Includes HMDA, Small Business, Small Farm and Consumer loan data collected per 12 CFR 25.

market share increased to 1.57 percent for moderate income census tracts. The bank did not originate any home purchase loans in low income census tracts during the evaluation period.

Small Business Lending

Mellon DE's lending to small businesses in all portions of its assessment areas is consistent with the community's demographics. During the evaluation period, 5 percent of small business loans were originated to borrowers located in the low income census tracts and 6 percent were made to borrowers in moderate income census tracts. (Refer to Table 4-A in Appendix C.) This is slightly lower than the percentage of small businesses in each of these census tract categories (6 percent and 9 percent, respectively).

Mellon DE's small business loan penetration in low and moderate income census tracts was lower than middle income tracts, but comparable to or greater than upper income tracts. This penetration ratio is measured by the number of loans made within a census tract type divided by the number of known businesses in the census tracts and the number of loans. During the evaluation period, penetration ratios were 2.5 percent for low income census tracts and 1.8 percent for moderate income tracts versus 4.0 percent and 2.0 percent for middle and upper income tracts, respectively. (See Table 3-B in Appendix C.)

Borrowers' Characteristics

Home Mortgage Lending

Mellon DE's overall lending to borrowers of different income levels for home purchase loans is generally good overall, but especially strong in moderate income neighborhoods. Opportunities to lend in low income geographies is hampered by the lack of opportunity due to the small quantity of owner occupied housing. (See Tables 2-A through 2-E in Appendix C.)

The percentage of HMDA reportable loans to low and moderate income borrowers is reasonable. As detailed in Table 2-E of Appendix C, the percentage of lending for HMDA reportable loans to low income borrowers was less than the percentage of low income families. However, HMDA reportable lending to moderate income borrowers exceeded the percentage of moderate income families within the assessment areas. In particular, the level of home purchase loans to moderate income borrowers significantly exceeded the percentage of moderate income families (44 percent of total home purchase vs. 19 percent of family distribution).

Small Business Lending

Mellon DE's lending pattern to small businesses and farms demonstrates a commitment to making small loans available to local businesses. Distribution of small business loans by loan size and borrower revenues is detailed on Tables 4-B and 4-C of Appendix C.

Within the entire assessment area where Mellon DE operates, 89 percent of all businesses have annual revenues of less than one million dollars. During the evaluation period, the bank originated 196 loans for \$14.8 million to businesses or farms with revenues of less than \$1 million, 21 percent of total small business loans. Eighty percent of these loans were to businesses with revenues of less than \$1

million. In addition, 78 percent of all reportable small business or small farm loans were for amounts of less than \$100 thousand.

Community Development Lending

Given its limited presence in the market, Mellon DE originated a reasonable amount of community development loans. Community development loans are those that do not meet the definition of home mortgage, small business, or small farm loans but do meet the definition of community development contained in the CRA regulation. During the evaluation period, Mellon DE committed to six community development loans within its assessment areas for \$2.5 million. As of June 30, 1997, the bank had advanced funds of \$505 thousand against these commitments. These loans include two loans within the Dover assessment area for \$1.6 million, two loans within the Wilmington assessment area for \$428 thousand, and two affordable housing loans in the non-metro assessment area for \$411 thousand.

Mellon DE made a \$1.1 million commitment to a loan pool established by the Delaware Community Investment Corporation for the construction of affordable housing units. In addition, the bank committed \$1 million to the state's Capital Access Program which was formed to attract new businesses to Delaware.

Innovative or Flexible Lending Practices

Mellon DE offers loan programs that feature flexible credit practices and/or are innovative responses to identified community credit needs. The bank offers these products to customers throughout its assessment areas.

Residential Real Estate Lending

The Neighborhood Mortgage Loan Program provides below-market interest rates, low fees, and more flexible underwriting standards for low and moderate income home buyers or for those living in targeted low and moderate income census tracts. During the evaluation period, Mellon DE originated 136 loans for \$12.5 million through this program.

Small Business Lending

Mellon DE offers innovative small business credit programs to help meet the credit needs of the small business borrower in its assessment areas. One of these programs is the Business Builder Line of Credit which provides small business borrowers with a five year committed line of credit of up to \$250 thousand. Loans funded under this program require only basic financial information and do not require annual clean-up periods. For 1996 and the first six months of 1997, Mellon DE approved 75 loans with commitments of \$3.8 million.

In 1996, Mellon's Business Banking Group introduced a 15 year fixed rate, commercial real estate mortgage for loan amounts of less than \$250 thousand. These loans allow small business borrowers to finance real estate with no rate risk, short term balloon payments, or prepayment charges. For the evaluation period, the bank funded 35 loans with total commitments of \$3.5 million.

Consumer Lending

Mellon DE offers a Basic Instalment Loan which enables individuals to borrow an amount as little as \$1,000. The program features no origination fees and minimal monthly payments.

INVESTMENT TEST

Mellon DE has an adequate level of qualified community development investments in its assessment areas. Investment opportunities are limited due to the small size and healthy economy in the State of Delaware. Most investment opportunities are in New Castle County where all of the state's nine low income census tracts are located. New Castle County is also home to several large banking companies which heavily compete for the same investment opportunities. Community development needs are traditionally met more through various loan pools and lending funds in concert with other competing institutions rather than through investments.

Mellon DE participates in the conventional investment vehicles germane to the Delaware community. During the evaluation period, \$477 thousand was extended in qualified investments, grants or contributions as detailed in the table below. The investments and grants are not considered innovative or complex.

Bank Investments	Date	Commitment	Extended During Evaluation	Book Value
DCIC	1993	\$ 50,000	0	\$ 50,000
Delaware Equity Fund	1993	450,000	\$110,436	118,553
Anthem Capital	1994	925,000	183,000	441,000
Delmarva Federal Credit Union	1997	75,000	75,000	75,000
Grants/Contributions	1996/1997	N/A	108,885	108,885
Total:		\$1,500,000	\$477,321	\$789,938
Percent of Equity Capital		0.5%	0.2%	0.3%

Mellon DE is actively involved in the Delaware Community Investment Corporation (DCIC) which was formed to address the shortage of LMI housing. In 1994, DCIC converted to a multibank Community Development Corporation. In addition to a \$1.1 million commitment to the loan pool discussed under the *Lending Test* section of this evaluation, Mellon DE has invested \$40 thousand in equity and \$450 thousand in an equity fund. To date, DCIC has 18 developments completed or under construction, resulting in approximately 1,100 housing units. Equity investments for 1996

approximated \$3.7 million resulting in three projects developed under the federal low income tax credit program.

SERVICE TEST

Retail Banking Services

Mellon DE's delivery systems are accessible to essentially all portions of the assessment area. The bank maintains 26 branch offices and 39 proprietary automated teller machines (ATM's) within the assessment area. The following table shows the geographic distribution of Mellon DE branches and ATM's. For each census tract income level, with the exception of moderate-income, the percentage of the bank's branches and ATM's exceeds or approximates the percentage of assessment area census tracts.

Mellon Bank Branch & ATM Locations			
Census Tract Income Level	Number of Branches & ATM's	Percentage of Branches & ATM's	Percentage of Census Tracts
Low	4	6%	5%
Moderate	5	8%	15%
Middle	37	57%	61%
Upper	19	29%	18%
Total	65	100%	100%

Mellon DE's branch office closings and consolidations have not adversely affected the accessibility of its services. During the evaluation period, branch activity consisted of three closures, one consolidation and one opening. One of the closed branches was located in a moderate income census tract. This office, situated in the Dover Air Force Base, was accessible only to Base personnel and it was not cost effective to keep it open. The closure did not result in any loss of banking services as the Base had a credit union and now has an Army-sponsored bank. Also, Mellon DE maintains four other branch offices in the Dover area, including in an Acme Store, which conveniently serves the banking needs of Base personnel. The consolidated branch was in a low income census tract in downtown Wilmington. Due to proximity, this office was consolidated with another office in the same census tract, seven blocks away. To accommodate the needs of the transferred customers staff was added, and the consolidated branch became a distribution center for food stamps.

Services, including branch office business hours, are tailored to the convenience and needs of all segments of the assessment area. All of Mellon DE's branches are full service. The bank provides extended evening and weekend hours both in traditional branches and through their supermarket

banking program. In the bank's six supermarket locations, customers can bank from 11:00 a.m. to 8:00 p.m. during the week and from 10:00 a.m. to 5:00 p.m. on the weekend.

In addition to branch offices, customers have access to many banking services through the telephone using Mellon's *Bank-by-Phone* service which is available 24 hours a day, seven days a week. Also, customer service representatives are available during extended hours, seven days a week. A similar service is provided to business customers through Mellon's *Business Bank-by-Phone*. This service allows business customers access to their accounts 24 hours a day, seven days a week. The Business Banking Telephone Center gives customers access to Business Banking personnel during extended weekday hours.

An innovative service that Mellon has recently instituted is Video Banker, which is currently available in all six supermarket branch locations. It allows customers at branches with limited staff to access loan originators via a video terminal. Customer service representatives assist customers until they feel comfortable with the process. The video connection offers real time discussions with staff to open deposit accounts, apply for consumer, small business or mortgage loans, open investment accounts, and purchase insurance.

Community Development Services

Mellon DE has a number of products that are structured to help LMI customers. These include a basic checking program with no balance requirements, and a basic instalment loan with a minimum loan amount of \$1 thousand for borrowers residing in LMI census tracts. LMI individuals also benefit from welfare check cashing services at all branch office locations, and the bank's distribution of food stamps at many locations. In addition, Mellon DE does designated mailings to individuals in LMI census tracts in marketing its consumer loan products.

Mellon DE provides an adequate level of community development services to its assessment area. Bank employees have contributed their financial expertise to local community development organizations through their memberships and active participation in programs. Their involvement includes but is not limited to the following:

- The Chief Executive Officer is on the Board of Directors of Anthem Capital and Wilmington 2000. Anthem Capital is a small business investment company which provides venture capital to first and second stage small businesses located throughout the Mid-Atlantic region. Wilmington 2000 is a non profit group formed to stimulate business growth in the City of Wilmington.
- The head of Mellon's Business Banking Department serves as a member of DCIC's loan committee. DCIC is a multi-bank community development corporation created to foster the production of affordable housing in Delaware for LMI individuals.
- The Community Investment Officer is on the Board of Directors of HOND (Housing Opportunities of Northern Delaware). HOND is a non profit organization that advocates fair housing and engages in fair housing testing in Delaware. Also, this bank officer is part of an

advisory committee for the Small Business Development Center, a counseling and resource center for small businesses in Delaware.

- Mellon DE is represented on the Board of Directors of two non-profit organizations formed to stimulate business growth in Dover and Laurel, Delaware.

FAIR LENDING REVIEW

In conjunction with the CRA evaluation, we performed concurrent fair lending and compliance examinations. We found the bank in compliance with anti-discrimination laws and regulations. These included the Equal Credit and Opportunity Act (ECOA), the Fair Housing Act (FHA) and the Home Mortgage Disclosure Act (HMDA). There was no evidence in the fair lending examination to indicate any discriminatory practices had occurred against protected classes in Mellon's lending activities.

**APPENDIX A
SCOPE OF EXAMINATION**

We reviewed Mellon Bank (DE) National Association's performance under the Community Reinvestment Act for the period from the last evaluation, October 1995, until June 30, 1997. For this review, loans and investments originated by the affiliates listed below were included. All assessment areas and MSA's were reviewed. Lending data reviewed for this evaluation covered all of 1996 through June 30, 1997.

Scope of Examination

Time Period Reviewed:	October 1, 1995 through June 30, 1997	
Financial Institution		Products Reviewed
Mellon Bank (DE) National Association		Small Business, Small Farm, and HMDA Reportable Loans
Affiliates	Affiliate Relationship	Products Reviewed
Mellon Mortgage Company	Holding Co. Subsidiary	HMDA Reportable Loans
Mellon CDC	Holding Co. Subsidiary	Community Development Loans and Investments
AFCO Credit Corporation	Holding Co. Subsidiary	Small Business Loans

APPENDIX B Demographic Information

TABLE 1-A

Metropolitan Areas	Census Tract (CT) Income Level											
	Low			Moderate			Middle			Upper		
	# of CTs	% of Total tracts	% of Owner-Occupied Units	# of CTs	% of Total tracts	% of Owner-Occupied Units	# of CTs	% of Total tracts	% of Owner-Occupied Units	# of CTs	% of Total tracts	% of Owner-Occupied Units
2190 Dover, DE	0	0%	0%	2	7%	1%	24	77%	86%	5	16%	13%
9160* Wilmington, DE	9	8%	2%	23	19%	14%	61	51%	55%	25	21%	29%
9999* DE State	0	0%	0%	0	0%	0%	18	75%	98%	1	4%	2%
Combined Areas *	9	5%	1%	25	14%	9%	103	59%	69%	31	18%	21%

* PMSA 9160: 2 tracts are designated N/A. Non-MSA 9999: 5 tracts are designated N/A. The combined total numbers and percents exclude the tracts designated N/A.

TABLE 1-B

Metropolitan Areas	Updated Median Family Income \$	% of Population	(000) Housing units	(000) Households	(000) Families	% Occupancy Status Housing Units			% Tract Characteristic Households				% Families within each Tract Category			
						Owner	Renter	Vacant	Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
2190 Dover, DE	33,594	17%	42	40	29	65%	28%	5%	n/a	4%	83%	13%	19%	18%	25%	38%
9160* Wilmington, DE	44,332	66%	174	164	115	64%	30%	5%	3%	17%	55%	24%	17%	18%	26%	39%
9999* DE State	31,112	17%	74	43	32	46%	12%	42%	n/a	n/a	97%	3%	18%	19%	24%	38%
State	40,617		290	247	176	60%	26%	14%	2%	12%	67%	19%	17%	19%	26%	38%

* PMSA 9160: 2 tracts are designated N/A. Non-MSA 9999: 5 tracts are designated N/A. The combined total numbers and percents exclude the tracts designated N/A.

APPENDIX C: Tables to Support Conclusions

HMDA REPORTABLE ACTIVITY

TABLE 2-A

Percentage of Loans made by Tract and Income Level										
	Low Income		Moderate Income		Middle Income		Upper Income		Totals	
2190 Dover, DE	Count % \$ Amount %		Count \$ Amount (000)							
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
<i>Distribution by Purpose of Loans by Census Tract Characteristic</i>										
Home Purchase	n/a	n/a	13%	0%	87%	100%	0%	0%	8	2
	n/a	n/a	9%	0%	91%	100%	0%	0%	\$678	\$168
Home Improvement	n/a	n/a	0%	6%	83%	94%	17%	0%	47	17
	n/a	n/a	0%	3%	75%	97%	25%	0%	\$949	\$297
Refinancing	n/a	n/a	2%	0%	88%	90%	10%	10%	100	52
	n/a	n/a	3%	0%	85%	90%	12%	10%	\$5,439	\$2,873
Totals	n/a	n/a	2%	1%	86%	92%	12%	7%	155	71
	n/a	n/a	3%	1%	83%	91%	14%	8%	\$7,066	\$3,338
<i>Distribution by Purpose of Loans by Income Level of Applicant</i>										
Home Purchase	0%	0%	13%	0%	75%	50%	12%	50%	8	2
	0%	0%	7%	0%	73%	48%	20%	52%	\$678	\$168
Home Improvement	6%	6%	13%	12%	23%	47%	53%	35%	47	17
	4%	2%	11%	3%	12%	39%	65%	56%	\$949	\$297
Refinancing	5%	0%	13%	12%	29%	33%	44%	40%	100	52
	4%	0%	7%	9%	20%	30%	56%	33%	\$5,439	\$2,873
Totals	5%	1%	13%	11%	29%	37%	45%	39%	155*	71**
	4%	1%	7%	8%	23%	32%	53%	36%	\$7,066	\$3,338

* Applicant Income N/A: 12 loans totaling \$946,000.

** Applicant Income N/A: 8 loans totaling \$798,000.

APPENDIX C: Tables to Support Conclusions

TABLE 2-B

Percentage of Loans made in MSA within Mellon's Assessment Area										
	Low Income		Moderate Income		Middle Income		Upper Income		Totals	
9160 Wilmington, DE	Count % \$ Amount %		Count \$ Amount (000)							
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
<i>Distribution by Purpose of Loans by Tract Characteristic</i>										
Home Purchase	0%	0%	8%	14%	65%	52%	27%	34%	188	56
	0%	0%	7%	9%	62%	42%	31%	49%	\$19,531	\$6,366
Home Improvement	2%	0%	16%	12%	53%	63%	29%	24%	91	41
	2%	0%	13%	15%	48%	61%	36%	24%	\$1,540	\$916
Refinancing	2%	1%	12%	11%	62%	59%	25%	29%	187	80
	1%	1%	10%	9%	57%	50%	32%	41%	\$8,913	\$5,508
Totals	1%	1%	11%	12%	61%	57%	27%	30%	466	177
	1%	1%	8%	8%	60%	40%	31%	51%	\$29,984	\$12,790
<i>Distribution by Purpose of Loans by Income Level of Applicant</i>										
Home Purchase	15%	27%	50%	45%	23%	14%	12%	14%	188	56
	10%	16%	48%	34%	27%	14%	15%	36%	\$19,531	\$6,366
Home Improvement	14%	20%	19%	32%	33%	27%	34%	22%	91	41
	13%	16%	19%	28%	29%	23%	39%	32%	\$1,540	\$916
Refinancing	6%	13%	27%	23%	33%	38%	30%	19%	187	80
	3%	7%	19%	17%	32%	32%	39%	31%	\$8,913	5,508
Totals	11%	19%	35%	31%	29%	28%	23%	18%	466*	177**
	8%	11%	38%	23%	29%	19%	24%	29%	\$29,984	\$12,790

* Applicant Income N/A: 8 loans totaling \$642,000.

** Applicant Income N/A: 8 loans totaling \$2,716,000.

APPENDIX C: Tables to Support Conclusions

TABLE 2-C

Percentage of Loans made in MSA within Mellon's Assessment Area										
	Low Income		Moderate Income		Middle Income		Upper Income		Totals	
<i>9999 Delaware Non-Metro area</i>	Count % \$ Amount %		Count \$ Amount (000)							
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
<i>Distribution by Purpose of Loans by Tract Characteristic</i>										
Home Purchase	n/a	n/a	n/a	n/a	94%	100%	6%	0%	16	4
	n/a	n/a	n/a	n/a	90%	100%	10%	0%	\$2,759	\$1,083
Home Improvement	n/a	n/a	n/a	n/a	90%	88%	10%	12%	63	24
	n/a	n/a	n/a	n/a	80%	93%	20%	7%	\$1,288	\$615
Refinancing	n/a	n/a	n/a	n/a	94%	89%	6%	11%	114	35
	n/a	n/a	n/a	n/a	94%	86%	6%	14%	\$7,462	\$3,081
Totals	n/a	n/a	n/a	n/a	93%	89%	7%	11%	193	63
	n/a	n/a	n/a	n/a	91%	90%	9%	10%	\$11,509	\$4,779
<i>Distribution by Purpose of Loans by Income Level of Applicant</i>										
Home Purchase	0%	0%	6%	0%	19%	25%	75%	75%	16	4
	0%	0%	2%	0%	4%	5%	94%	95%	\$2,759	\$1,083
Home Improvement	6%	4%	17%	29%	24%	46%	49%	21%	63	24
	9%	2%	10%	32%	17%	38%	61%	28%	\$1,288	\$615
Refinancing	5%	3%	13%	14%	29%	23%	52%	51%	114	35
	2%	1%	9%	7%	21%	12%	67%	73%	\$7,462	\$3,081
Totals	5%	3%	14%	19%	26%	32%	53%	41%	193*	63**
	3%	1%	7%	9%	17%	14%	73%	72%	\$11,509	\$4,779

* Applicant Income N/A: 3 loans totaling \$93,000.

** Applicant Income N/A: 3 loans totaling \$236,000.

APPENDIX C: Tables to Support Conclusions

TABLE 2-D

Distribution of HMDA Loans by Census Tract Characteristic								
Assessment Areas	Low Income		Moderate Income		Middle Income		Upper Income	
	1996	6-30-97	1996	6-30-97	1996	6-30-97	1996	6-30-97
2190 Dover, DE	n/a	n/a	2%	1%	86%	92%	12%	7%
9160 Wilmington, DE	1%	1%	11%	12%	61%	57%	27%	30%
9999 DE Non-metro	n/a	n/a	n/a	n/a	93%	89%	7%	11%
Total for State	1%	*	7%	7%	73%	72%	19%	21%
Percent of Owner Occupied Housing (Statewide)	1%		9%		69%		21%	

* Less than .5%

TABLE 2-E

Distribution of HMDA Loans by Borrower Characteristic								
Assessment Areas	Low Income		Moderate Income		Middle Income		Upper Income	
	1996	6-30-97	1996	6-30-97	1996	6-30-97	1996	6-30-97
2190 Dover, DE	5%	1%	13%	11%	29%	37%	45%	39%
9160 Wilmington, DE	11%	19%	35%	31%	29%	28%	23%	18%
9999 DE Non-metro	5%	3%	14%	19%	26%	32%	53%	41%
Total for State	9%	11%	26%	24%	29%	30%	36%	28%
Family Distribution (Statewide)	17%		19%		26%		38%	

APPENDIX C: Tables to Support Conclusions

PENETRATION RATIOS - HMDA AND SMALL BUSINESS LOANS

TABLE 3-A:

Penetration Ratios - HMDA Owner-Occupied			
Tract Income Level	1996	6/30/97	Combined
Low	0.3%	0.1%	0.3%*
Moderate	0.3%	0.1%	0.5%*
Middle	0.5%	0.2%	0.7%
Upper	0.4%	0.2%	0.6%

* Difference due to rounding

TABLE 3-B

Penetration Ratios - Small Business Loans			
Tract Income Level	1996	6/30/97	Combined
Low	1.7%	0.8%	2.5%
Moderate	1.2%	0.6%	1.8%
Middle	2.7%	1.2%	4.0%*
Upper	1.2%	0.7%	2.0%*

* Difference due to rounding

APPENDIX C: Tables to Support Conclusions

SMALL BUSINESS and SMALL FARM ACTIVITY

TABLE 4-A

Distribution of Commercial Activity by Tract Characteristic										
	Low Income		Moderate Income		Middle Income		Upper Income		Totals	
	Count% \$Amount%		Count% \$Amount%		Count% \$Amount%		Count% \$Amount%		Count \$Amount (000)	
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
<i>2190 Dover, DE</i>										
Small Business	n/a	n/a	3%	5%	89%	88%	8%	7%	177	67
	n/a	n/a	*	*	98%	90%	2%	10%	\$8,761	\$2,659
Small Farm	n/a	n/a	0%	0%	100%	100%	0%	0%	7	5
	n/a	n/a	0%	0%	100%	100%	0%	0%	\$1,023	610
<i>9160 Wilmington, DE</i>										
Small Business	16%	16%	16%	16%	45%	43%	23%	25%	197	97
	19%	14%	19%	22%	31%	27%	32%	36%	\$23,773	\$11,974
Small Farm	0%	0%	0%	0%	100%	100%	0%	0%	1	2
	0%	0%	0%	0%	100%	100%	0%	0%	\$300	\$279
<i>9999 DE Non-Metro area</i>										
Small Business	n/a	n/a	n/a	n/a	95%	90%	5%	10%	236	114
	n/a	n/a	n/a	n/a	97%	73%	3%	27%	\$22,081	\$9,500
Small Farm	n/a	n/a	n/a	n/a	100%	100%	0%	0%	16	8
	n/a	n/a	n/a	n/a	100%	100%	0%	0%	\$2,149	\$1,014
<i>Assessment Area Totals</i>										
Small Business	5%	5%	6%	7%	77%	73%	12%	15%	610	278
	8%	7%	8%	11%	68%	52%	15%	30%	\$54,615	\$24,133
Small Farm	0%	0%	0%	0%	100%	100%	0%	0%	24	15
	0%	0%	0%	0%	100%	100%	0%	0%	\$3,472	\$1,903

* less than .5 percent

APPENDIX C: Tables to Support Conclusions
TABLE 4-B: Distribution of Commercial Lending Activity by Loan Size

Loan Size (000)	Small Business							
	Count %		\$ Amount %		Count		\$ Amount (000)	
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
<i>2190 Dover, DE</i>								
<= \$100	90%	90%	27%	24%	159	60	2,330	634
\$100 - \$250	5%	6%	18%	27%	9	4	1,570	725
\$250 - \$1M	5%	4%	55%	49%	9	3	4,861	1,300
<i>9160 Wilmington, DE</i>								
<= \$100	73%	68%	20%	19%	143	66	4,662	2,229
\$100 - \$250	14%	20%	24%	29%	28	19	5,644	3,484
\$250 - \$1M	13%	12%	57%	52%	26	12	13,467	6,261
<i>9999 DE Non-metro area</i>								
<= \$100	77%	81%	24%	30%	181	92	5,223	2,887
\$100 - \$250	12%	9%	22%	18%	29	11	4,922	1,712
\$250 - \$1M	11%	9%	54%	52%	26	11	11,936	4,901
Small Farm								
<i>2190 Dover, DE</i>								
<= \$100	57%	60%	29%	26%	4	3	300	160
\$100 - \$250	14%	20%	18%	25%	1	1	185	150
\$250 - \$1M	29%	20%	53%	49%	2	1	538	300
<i>9160 Wilmington, DE</i>								
<= \$100	0%	50%	0%	10%	0	1	0	29
\$100 - \$250	0%	50%	0%	90%	0	1	0	250
\$250 - \$1M	100%	0%	100%	0%	1	0	300	0
<i>9999 DE Non-metro area</i>								
<= \$100	50%	50%	18%	16%	8	4	384	159
\$100 - \$250	25%	25%	28%	30%	4	2	592	305
\$250 - \$1M	25%	25%	55%	54%	4	2	1,173	550

APPENDIX C: Tables to Support Conclusions

TABLE 4-C: Distribution of Commercial Lending Activity by Borrower Revenues

Revenues	Small Business/Small Farm Percentages by Revenues				Total Small Business/ Small Farm originations			
	Count %		\$ Amount %		Count		\$ Amount (000)	
	1996	6/30/97	1996	6/30/97	1996	6/30/97	1996	6/30/97
<i>2190 Dover, DE</i>								
<= \$100M	95%	88%	67%	51%	21	15	370	285
\$100 - \$250M	5%	12%	32%	49%	1	2	180	275
\$250 - \$1MM	0%	0%	0%	0%	0	0	0	0
2190 Total	100%	100%	100%	100%	22	17	\$550	\$560
<i>9160 Wilmington, DE</i>								
<= \$100M	82%	64%	19%	19%	27	21	642	612
\$100 - \$250M	9%	27%	17%	17%	3	9	580	1612
\$250 - \$1MM	9%	9%	64%	64%	3	3	2200	1275
9160 Total	100%	100%	100%	100%	33	33	\$3,422	\$3,499
<i>9999 DE Non-Metro area</i>								
<= \$100M	76%	87%	26%	49%	39	34	1099	1148
\$100 - \$250M	14%	8%	33%	23%	7	3	1386	538
\$250 - \$1MM	10%	5%	41%	28%	5	2	1676	655
9999 Total	100%	100%	100%	100%	51	39	\$4,161	\$2,341
Bank Totals								
<= \$100M	82%	78%	26%	32%	87	70	2,111	2045
\$100 - \$250M	10%	17%	26%	38%	11	15	2,146	2425
\$250 - \$1MM	8%	6%	48%	30%	8	5	3,876	1930
Total	100%	100%	100%	100%	106	90	\$8,133	\$6,400

APPENDIX - D ABBREVIATIONS

ATM	Automated Teller Machine
CRA	Community Reinvestment Act
CFR	Code of Federal Regulations
FHA	Federal Housing Administration
HMDA	Home Mortgage Disclosure Act
LMI	Low-to-moderate income
Mellon DE	Mellon Bank (DE) National Association
Mellon	Mellon Bank Corporation, its subsidiaries and affiliates
MBCDC	Mellon Bank Community Development Corporation
MSA	Metropolitan Statistical Area as defined by OMB
OCC	Office of the Comptroller of the Currency
PMSA	Primary Metropolitan Statistical Area

TERMS

area median income	Median family income for a MSA or statewide Nonmetropolitan median family income if located outside a MSA
low income	Income less than 50% of the area median income
moderate income	Income between 50% and 80% of the area median income
middle income	Income between 80% and 120% of the area median income
upper income	Income greater than 120% of the area median income
reportable business loan	A business loan included in “loans to small business” as defined in the <i>Consolidated Report of Condition and Income</i>
small business loan	A business loan to a business with revenues less than \$1 million