

PUBLIC DISCLOSURE

March 27, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Juniper Bank
57203
100 South West Street
Wilmington, Delaware 19801**

**Federal Deposit Insurance Corporation
20 Exchange Place
New York, New York 10005**

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

I. General Information..... 1

II. Institution Rating

- a. Overall Rating 2
- b. Description of Institution..... 2
- c. Description of Assessment Area 3
- d. Conclusions with Respect to Performance. 4
- e. Community Development Lending..... 4
- f. Community Development Investments 5
- g. Community Development Services. 6
- h. Compliance with Antidiscrimination Laws 7

III. Appendix

- a. Scope of Examination..... 8

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, 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 conclusion of such examination, 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 Community Reinvestment Act (CRA) performance of **Juniper Bank, Wilmington, Delaware**, prepared by **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **March 27, 2006**. 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 the provisions set forth in Appendix A to 12 CFR Part 345.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- Juniper Bank made an adequate volume of community development loans and qualified community development investments in relation to its resources and capabilities.
- Juniper Bank employees provided a high level of community development services, as indicated by its support to a vast array of organizations throughout its assessment area. Considering the bank's limited purpose designation, the level of community development services provided by bank employees demonstrates an excellent responsiveness to available opportunities.

The bank and the FDIC have not received any CRA-related complaints since the prior CRA examination.

DESCRIPTION OF INSTITUTION:

Juniper Bank (Juniper) is a state chartered bank headquartered in Wilmington, Delaware. The main office is located within a moderate-income census tract. Juniper is a wholly-owned subsidiary of Juniper Financial Corporation, which was purchased by Barclays Group US in December 2004. Barclays Group US is the legal vehicle by which Barclays Bank PLC, London, England can own assets in the United States. Barclays Bank PLC also owns Barclay Card, reportedly the largest issuer of credit cards in Europe. Juniper Financial Corporation wholly-owns one nonbank subsidiary, Juniper Services, LLC, for purposes of maintaining employees outside the state of Delaware.

Juniper has been designated a "limited purpose" bank for CRA purposes. The bank's sole line of business is issuing credit cards. The bank's primary business line is through partnerships with various entities to handle all aspects of maintaining a credit card portfolio. The bank has 46 partnership agreements including: AirTran Airways, Best Western, TiVO, Midwest Express, ParkPlace Entertainment, and AirJamaica. The bank also maintains a middle market portfolio, both through partners and a brand card. The middle market refers to those borrowers slightly below prime, but not ordinarily considered sub-prime. The bank plans to continue to grow by focusing on acquiring and developing high quality partnership credit card programs.

As of December 31, 2005, Juniper had total assets of \$3.1 billion, net loans of \$2.1 billion, and total deposits of \$5 million. The bank stopped offering deposit accounts in early 2005 and is allowing the current deposits to liquidate. Funding is currently handled internally.

Juniper is operating at a loss, creating a financial impediment that could reduce the bank's ability to help meet the community development needs in the assessment area. There are no legal or other known impediments that could further hamper the bank's ability to meet the community

development needs of its assessment area. The bank was rated satisfactory at the last CRA evaluation on May 13, 2003.

DESCRIPTION OF THE ASSESSMENT AREA

Demographic Data

Juniper's assessment area includes New Castle County in its entirety, which is located within the Wilmington Metropolitan Statistical Area (MSA) #48864. The assessment area is in conformance with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

The assessment area contains 127 census tracts. There are 10 low-income, 23 moderate-income, 61 middle-income, 32 upper-income census tracts. One census tract contains no population and/or income. All ten low-income census tracts and eight of the moderate-income census tracts are located in downtown Wilmington.

Population

The assessment area population, based on 2000 U.S. Census data, is 500,265 representing 127,997 families. The assessment area is densely populated as it contains 63 percent of the state's population. Based on 2000 U.S. Census data, the percentage of families located within low- and moderate-income census tracts is 4 percent and 18 percent, respectively. Census data from 2000 also indicates 19 percent of the assessment area's families qualify as low-income, 17 percent as moderate-income, 24 percent as middle-income, and 40 percent as upper-income. Additionally, six percent of the families live below the poverty level.

Economic Data

Economic strengths in New Castle County include a high concentration of finance, insurance, and real estate industries. According to Dun and Bradstreet, the top employers in the county include MBNA Corporation (recently purchased by Bank of America), DuPont, and Christiana Care Health System. The 2005 unemployment rate for New Castle County was 4.4 percent. The State of Delaware and the national unemployment rates were 4.1 and 5.1 percent, respectively.

Competition

There are 35 banks located in Delaware. Of the 35 banks, there are 17 banks over \$250 million in total assets located in Wilmington, creating intense competition for community development activities in the assessment area and the larger statewide area. As a result, each bank needs to be regularly and actively involved in the community to identify appropriate community development lending, investment, and service opportunities.

Community Contacts

As part of the evaluation, information was obtained from two community contacts to gain a perspective on the community development opportunities and local financial institutions performances. One contact was with a local nonprofit organization focused on community

development and the other was with a charter school. Overall, the primary community development needs in the assessment area are financial literacy training, affordable housing for low- and moderate-income households, more flexible underwriting standards, and down payment assistance for low- and moderate-income households.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

SCOPE OF EXAMINATION

The institution's performance was reviewed on-site and off-site using Community Development Test CRA evaluation procedures. The evaluation period covers May 13, 2003 through March 26, 2006 for community development investments, services and loans reported and collected pursuant to CRA.

COMMUNITY DEVELOPMENT LENDING

The bank originated an adequate volume of community development loans since the previous CRA evaluation on May 13, 2003. Juniper committed to eight loans totaling \$2,550,000, of which \$664,025 is outstanding. None of the loans have been reported as small business loans under CRA data reporting requirements. The following is a summary of these loans:

- The bank supports a local multi-bank CDC. The purpose of the CDC is to serve as a vehicle for community revitalization through the financing of and investment in housing and related activities designed to address the needs of low- to moderate-income persons and areas throughout Delaware. The CDC utilizes several different funds to meet various needs. Juniper has funded \$10,996 of a \$100,000 commitment and committed \$500,000 to a separate fund. Additionally, the bank committed \$250,000 for tax credits.
- Juniper funded \$125,000 of its \$500,000 commitment to a SBIC venture capital fund that provides financing and technical assistance to pre-seed, early stage, and emerging growth businesses in Delaware. The fund encourages portfolio companies to target employment and operations in low- and moderate-income communities, thereby revitalizing and stabilizing these communities.
- The bank funded \$25,568 of its \$150,000 commitment to a Certified Community Development Financial Institution that provides loans and technical assistance to affordable housing developers in Delaware and to 501(c)(3) organizations that build and maintain housing. This loan was part of a pooled loan fund for the development of affordable housing in a low- and moderate-income area.
- Juniper funded \$450,000 of its \$500,000 commitment to a Community Development Financial Institutions Fund. The fund's mission is to promote economic development by supporting permanent job creation or retention in low- and moderate-income geographies

or in areas targeted for redevelopment by Federal, state, local, or tribal governments. Additionally, the fund supports permanent job creation or retention for low- and moderate-income individuals. This fund provides an expanded secondary market for Community Development Loan financing provided to businesses and farms that meet the SBA 7(a) Program eligibility standards. The allocated target loan is located in a moderate-income census tract in New Castle County, Delaware.

- The bank issued a \$250,000 line of credit to fund capital improvements for a charter school building. The charter school is located in an economically distressed area of Wilmington and 85 percent of the charter school's students live below the poverty line and 65 percent come from single parent families. This line of credit will help stabilize this area.
- Juniper funded \$52,461 of its \$300,000 commitment to a multi-bank loan pool to facilitate the construction of a parking garage in a low- and moderate-income area in Wilmington. The parking garage should revitalize the area by providing parking for the newly renovated retail area. The total multi-bank loan amount is \$6 million, of which Juniper has a five percent share.

COMMUNITY DEVELOPMENT INVESTMENTS

Juniper made a total of \$3,054,576 in qualified investments and grants within its assessment area and a broader statewide area that includes the assessment area. This reflects an adequate volume of qualified investments and grants. None of the qualified investments or grants is considered innovative or complex, and all are routinely provided by private investors. There is strong competition by financial institutions within the bank's assessment area to participate in the available investment opportunities. The bank made five new qualified Community Development investments within the bank's assessment area for \$2,364,728. A total of \$556,066 in qualified investments remains outstanding from previous CRA evaluations. Additionally, Juniper made contributions totaling \$133,782.

Investments

Juniper purchased five new mortgage-backed securities. Two previous investments remain outstanding, one of which is a mortgage-backed security. These securities are backed by mortgages extended to low- and moderate-income individuals and families in the bank's assessment area. The remaining outstanding investment is a Delaware State Housing Authority Bond. This Bond was used to offer below market rate mortgage loans and assistance to low- and moderate-income first time homebuyers in Delaware. Additionally, the bond targeted low-income or economically distressed communities.

Contributions

Since the prior evaluation, Juniper donated \$133,782 to various community development organizations operating within the bank's assessment area. These organizations include the following:

- Wilmington Renaissance Development Corporation is a non-profit community development group focusing on the revitalization of downtown Wilmington. The current project is the renovation of the area known as the Ship's Tavern District. This area consisted of low rent stores, tenements, and vacant stores, which have been converted into affordable housing and commercial space.
- East Side Charter School is located in a distressed area and serves Wilmington's most economically and socially at risk children. The majority (85 percent) of these students live below the poverty line and 65 percent come from single parent families. This charter school has been instrumental in increasing standardized test scores.
- West End Neighborhood House (WENH) is a non-profit organization that is located in a moderate-income area. Their mission includes employment training, community development, healthcare, and emergency assistance. In addition to their usual mission, they assisted 20 families who were victims of Hurricane Katrina who relocated to the local area.

COMMUNITY DEVELOPMENT SERVICES

A community development service is defined as a service that has a primary purpose of community development. It must also be related to the provision of financial services. Juniper provides a high level of community development services that demonstrates an excellent responsiveness to community needs.

Thirteen employees or directors are involved with 14 organizations that promote community development and economic revitalization in low- and moderate-income areas or to low- and moderate-income individuals. These organizations include various neighborhood community development corporations, economic development organizations, and housing-related organizations. Bank employees provide technical expertise on various financial areas to these organizations. Examples are provided below.

- Delaware Community Investment Corporation (DCIC) is a multi-bank CDC that addresses the needs of low- and moderate-income individuals. One member of senior management is on their Board of Directors.
- WENH maintains two members of senior management on its Board of Directors.
- East Side Charter School has two members of senior management on the Board of Directors.

In addition, bank personnel conducted financial seminars on topics including managing financial affairs, budgeting, and financial and life skills. Examples of the seminars include:

- Eight financial seminars targeted to low- and moderate-income women or families through the YWCA reaching 136 women.
- Thirteen financial seminars to emancipated foster teens through the WENH reaching 83 teens.

Bank personnel also participated in “Teach Children to Save Day,” an American Banking Association sponsored-course for elementary school children. This course is taught through two charter schools located in distressed areas of Wilmington which primarily serve children from low- and moderate-income families.

Juniper Bank continues to maintain the Furniture Connection, which collects, warehouses, and distributes used furniture to low- and moderate-income individuals and families. Most of the individuals and families that receive furniture are enrolled in financial education programs that the bank provides. Much of the furniture was distributed to 20 families displaced by Hurricane Katrina and now living in the Wilmington area.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s record of complying with antidiscrimination laws and regulations, including Equal Credit Opportunity is considered satisfactory. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A

SCOPE OF EXAMINATION		
TIME PERIOD REVIEWED	5/13/2003 TO 3/26/2006	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED
Juniper Bank, Wilmington, DE		Community Development Loans Community Development Investments Community Development Services

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
DELAWARE MSA 48864 Wilmington	On - site		None

APPENDIX B - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Block: Small areas bounded on all sides by visible features such as streets, roads, streams or rail road tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

Block Group: Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

Block Numbering Areas (BNAs): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They 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.

Metropolitan Statistical Area (MSA/MD): The Metropolitan Statistical Areas have at least one urbanized area of 50,000 or more population. There are 11 instances (Boston, Chicago, Dallas, Detroit, Los Angeles, Miami, New York, Philadelphia, San Francisco, Seattle, and Washington) where a Metropolitan Statistical Area containing a single core with a population of 2.5 million or more has been subdivided to form smaller groupings of counties referred to as **Metropolitan Divisions** (One or more large population centers and adjacent communities that have a high degree of economic and social integration.) Each MD must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MD comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MDs are composed of cities and towns rather than whole counties.

Combined Statistical Area (CSA): The larger area of which MSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

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 householder and no wife present) or “female householder” (a family with a female householder and no husband present).

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.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

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.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

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.

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 and less than 80 percent in the case of a geography.

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 and less than 120 percent in the case of a geography.

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.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.