



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

PE Comments

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

Commerce Bank/Pennsylvania, National Association
Charter Number: 18273

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Philadelphia, PA 19103

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.

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION	5
SCOPE OF THE EVALUATION.....	6
FAIR LENDING REVIEW	6
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	7
LENDING TEST	7
INVESTMENT TEST	12
SERVICE TEST	13
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

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

The following table indicates the performance level of **Commerce Bank/Pennsylvania, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Commerce Bank/Pennsylvania, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
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:

- Good lending activity in the assessment area (AA).
- Adequate geographic distribution of loans.
- Good borrower distribution of home mortgage loans and an excellent borrower distribution of small loans to businesses.
- Community development lending and product flexibility had a positive impact on the lending test.
- Good level of community development investments.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Good 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

Commerce Bank/Pennsylvania, N.A. (CB/PA) is an intrastate bank headquartered in Philadelphia, Pennsylvania with total assets of \$3.4 billion and tier one capital of \$197 million as of December 31, 2002. CB/PA is a wholly owned subsidiary of Commerce Bancorp, Inc., a \$16.4 billion multi-bank holding company headquartered in Cherry Hill, New Jersey. CB/PA has one operating subsidiary, which holds other real estate owned properties. This subsidiary does not impact the bank's ability to meet its CRA obligations.

CB/PA operates 54 full service branches within the five-county region that comprises the Pennsylvania portion of the Philadelphia-NJ Multistate MA #6160. As part of the overall corporate plan, the bank continues to grow rapidly. During the evaluation period, the bank doubled in branch size as it opened 27 offices. There are no financial or legal impediments to hinder CB/PA's ability to meet its community credit needs.

In addition to CB/PA, the Bancorp operates three other national banks and a state chartered bank; Commerce Bank N.A., Commerce Bank/Shore, Commerce Bank/Delaware, and Commerce Bank North. Management requested that we consider loans made by the national bank affiliates in the Philadelphia AA for the lending evaluation of CB/PA. These loans were not included the lending test of the affiliate banks.

As of December 31, 2002, the bank had net loans of \$894 million and investments of \$2.2 billion. The loan mix is represented by 45% residential mortgages (including multifamily), 31% commercial mortgages, 14% commercial loans, 5% consumer loans, 2% construction/development loans, and 3% other loans.

CB/PA was rated "Satisfactory" at the previous CRA evaluation, dated February 28, 2000.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for HMDA related loan products and small loans to businesses is January 1, 2000 to December 31, 2002. The evaluation period for community development loans, investments, and services is from January 1, 2000 to March 31, 2003.

CB/PA did not originate a substantial number of small farm or multifamily home loans in its AA and therefore these loans were not analyzed. Farm and multifamily lending are not primary business lines of the bank.

Data Integrity

We conducted data integrity reviews in 2001 and 2002. During these reviews, we analyzed a sample of small loans to businesses and home mortgage loans to ensure the accuracy of the data upon which we relied for our evaluation of the bank's performance under the Community Reinvestment Act. To determine accuracy, we compared information in publicly filed data to information in the bank's loan files. We also evaluated the bank's processes to ensure the accuracy of this data. This review revealed that the publicly available information was accurate and reliable. Our review included a sample of community development loans, investments and services to determine that they qualified under the regulatory criteria for community development. We made some minor adjustments to the community development data and included only those items that met the definition of community development.

Selection of Areas for Full-Scope Review

A full scope review was conducted of CB/PA's one assessment area, which consists of the Pennsylvania portion of the Philadelphia-NJ MA #6160 in its entirety. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on its performance in the AA.

Fair Lending Review

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Philadelphia MA is good.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

Overall, CB/PA's lending activity is good. Approximately 71% of the loans originated during the evaluation period were home mortgage loans, with small loans to businesses accounting for 29%, and community development loans accounting for less than 1%. Among home mortgage loan originations, 26% were for home purchase, 43% were for home improvement, and 31% were for home mortgage refinance.

Growth in both loans and deposits is strong, with deposit growth outpacing loan growth. Loan growth for 2001 and 2002 was 40% and 47%, respectively, versus deposit growth of 45% and 61%. Management's ability to grow deposits at a faster pace is in part due to their ability to better plan for deposit growth and better manage the risks associated with such growth. Nonetheless, loan growth is strong and continues to significantly exceed peer bank loan growth. In 2001 and 2002, peer bank loan growth was 11% and 12%, respectively. Pennsylvania is a highly competitive market for residential and small business loans; a majority of the HMDA and small business lenders with whom CB/PA competes do not offer full banking services, i.e. deposit services.

Based on the June 30, 2002, "FDIC Summary of Deposits", CB/PA ranked 5th in deposit market share with 4% of the deposits. In overall home mortgage lending, CB/PA ranked 20th with a 1% market share based on 2001 HMDA aggregate data. This is a very competitive market with over 600 lenders. Several larger regional banks, their affiliated mortgage companies, and other nationwide, non-bank mortgage lenders rank ahead of CB/PA. With nearly 50% of the total deposits, three regional banks with more extensive branch networks dominate the market. Their individual deposit market shares range from 11% to 24%.

In home purchase lending, CB/PA ranked 37th, with a 1% market share, based on this same aggregate data. The top five lenders had a combined market share of 30%, each with a market share ranging from a low of 5% to a high of 8%. Competition is strong with 482 reporting lenders in the AA.

In home improvement lending, CB/PA ranked 3rd, with a 5% market share. Competition is less intense with 204 lenders. The lenders ranked first and second had market shares of 7% and 9%, respectively.

In home refinance lending, CB/PA ranked 28th, with a 1% market share. Again, competition is strong with 488 reporting lenders. Several nationwide lenders active in home purchase lending are active in this product. The top five lenders had a combined market share of 27%, with individual market shares ranging from 4% to 7%.

Based on 2001 CRA aggregate data on loans to small businesses, CB/PA ranked 15th, with a market share of 1%. The top five lenders are nationwide credit card issuers that dominate the market with a combined market share of 62%. Two larger regional banks hold an additional 11% market share. There are 182 reporting lenders in the AA.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is adequate.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in appendix C 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 mortgage loans is adequate.

CB/PA's geographic distribution of home purchase loans is excellent. The percentage of lending in low-income geographies exceeds the percentage of owner occupied housing in those geographies. The percentage of lending in the moderate-income geographies is near the percentage of owner occupied housing in those geographies. The market share in the low-income geographies significantly exceeds the bank's overall market share. In moderate-income geographies, the market share exceeds the bank's overall market share. The flexible lending products described later in this evaluation contributes to the excellent performance.

CB/PA's geographic distribution of home improvement loans is adequate. The percentage of lending in both low- and moderate-income geographies is below the percentage of owner-occupied housing in those geographies. The bank's market share in moderate-income geographies is below its overall market share. In low-income geographies, the bank's market share is well below its overall market share. However, further analysis of market share data reveals that CB/PA is ranked 13th for lending in low-income tracts out of a total of 62 lenders. In moderate-income tracts, CB/PA is ranked 6th out of 107 lenders providing home improvement mortgages.

CB/PA's geographic distribution of home refinance loans is poor. The percentage of lending in both low- and moderate-income geographies is below the percentage of owner-occupied housing in those geographies. The bank's market share in moderate-income geographies substantially meets its overall market share. In low-income geographies, the bank's market share is below its overall market share.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in both low- and moderate-income geographies is below the percentage of businesses located in those geographies. The bank's market share in both low- and moderate-income geographies substantially meets its overall market share.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any conspicuous or unexplained gaps in lending patterns.

Inside/Outside Ratio

This portion of the evaluation was performed at the bank level. During the evaluation period, CB/PA originated a substantial majority (90%) of its loans in the AA. CB/PA originated 89% of its HMDA loans and 93% of its small loans to businesses in the AA. This analysis included all reportable loans originated by CB/PA, and does not include extensions of credit by affiliates.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level is good.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C 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 is good, given the high cost of housing, concentration of poverty, and competition in the AA. The updated median cost of housing of \$152,000 makes purchasing a home extremely difficult for low- and moderate-income families under traditional financial terms. The maximum low-income earnings are \$30,050, and maximum moderate-income earnings are \$48,080 per year. Additionally, nearly two-thirds of all low-income families in the AA, and almost half of the moderate-income families, reside in Philadelphia County. Although the overall poverty level of the AA is 11%, the poverty level in Philadelphia County is nearly 20%. Lastly, as noted earlier, several hundred lenders compete in this market.

CB/PA's distribution of both home purchase and home improvement loans is good. For both products, the percentage of lending to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's lending market share to moderate-income borrowers substantially meets its overall market share. The percentage of lending to low-income borrowers is below the percentage of low-income families in the AA. The bank's lending market share to low-income borrowers is also below its overall market share.

CB/PA's distribution of home refinance lending is adequate. The percentage of lending to moderate-income borrowers is below the percentage of moderate-income families in the AA. The percentage of lending to low-income borrowers is well below the percentage of low-income families in the AA. The bank's lending market share to both low- and moderate-income borrowers equals the bank's overall market share.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

CB/PA's distribution of small loans to businesses is excellent. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) equals the percentage of small businesses within the AA. Additionally, a majority (57%) of the bank's small loans to businesses, regardless of revenue size, are for \$100 thousand or less.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community development lending has a positive impact on the lending test conclusion. During the evaluation period, the bank originated nine loans for \$15.3 million. We also considered a \$7 million letter of credit issued to support the expansion of a health facility. The CD loans address a broad array of community needs. The most significant CD lending includes:

- \$6 million through two loans to provide working capital to a 115 - bed community hospital that serves low- and moderate-income individuals in Philadelphia.
- \$4 million to provide working capital to a community-based provider of mental health, substance abuse, and other medical services to low- and moderate-income individuals residing throughout the bank's AA.
- \$2.1 million in permanent mortgage financing on a Philadelphia property that will house a 100-bed community release program contracted to the Pennsylvania Department of Corrections. The borrowing agency provides services to low- and moderate-income individuals. In addition to this program, the agency runs several homeless shelters, mental health, and substance abuse counseling programs.
- \$1.5 million in renewed credit availability to a non-profit, community development corporation (CDC) located in Philadelphia. The CDC helps to revitalize neighborhoods and create jobs throughout the city. Major programs supported by the CDC include a small business micro-loan fund, financing minority and women-owned businesses, and working with small housing contractors to rehabilitate substandard housing in low-income areas.
- \$1 million to provide working capital to a designated Federal Qualified Health Center (FQHC) located in Philadelphia. FQHCs are licensed by the federal government as providers of healthcare to disadvantaged and medically underserved communities. In addition, CB/PA also provided a \$7 million direct-pay letter of credit as a credit enhancement for a tax-exempt bond issuance that will fund an expansion project of this FQHC.

Product Innovation and Flexibility

Product innovation and flexibility has a positive impact on the lending test rating. The bank offers a First Step Mortgage Program to first-time, low- and moderate-income homebuyers. This program is a below market, 30-year, fixed-rate loan with no points, no private mortgage insurance (“PMI”) for low-income applicants, 97% loan-to-value, and flexible underwriting criteria. During the evaluation period, CB/PA made further revisions to the program to increase property eligibility and eliminate PMI for low- and moderate-income borrowers purchasing in low- and moderate-income geographies. CB/PA originated 254 loans under this program during the evaluation period, totaling \$14.4 million.

CB/PA also offers a fixed-rate, Helping Hand home improvement loan to low- and moderate-income homeowners. This product is available secured or unsecured, with a term of one to fifteen years. The secured loan allows for a 100% loan-to-value ratio. Origination numbers were not available for review.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank’s performance under the investment test is rated “High Satisfactory”. Based on the full-scope review, the bank’s performance in the Philadelphia MA is good.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank’s level of qualified investments.

Opportunities to invest in Pennsylvania are generally limited to the metropolitan areas, unless the bank is willing to seek out and work on individual housing projects with CD groups. Competition for CRA investments is strong and dominated by several of the larger regional institutions operating within Pennsylvania. During the evaluation period, CB/PA made 26 investments and grants of nearly \$5.5 million. Additionally, there are six prior period investments with a book value of \$5.1 million still outstanding that have a continuing benefit to the AA. None of the investments are considered complex or innovative. The following major investments were made during the evaluation period:

- CB/PA increased its investment in a low-income housing tax credits project by \$4.4 million. The project consists of 71 units of affordable housing in North Central Philadelphia. The prior period investment is \$1.6 million, and there is a legally binding commitment for an additional \$1.1 million.
- CB/PA invested in an SBA-licensed, small business investment company (SBIC) providing venture capital to start-up companies in various industries through a limited partnership fund. During the evaluation period, CB/PA made an additional \$600 thousand investment in the fund. Total amount invested to date is \$1.3 million. The fund covers a broader regional area that includes New Jersey, eastern Pennsylvania, and Delaware and includes the bank’s AA.

- CB/PA committed \$500 thousand to a revolving fund, which provides acquisition and construction financing for non-profit affordable housing projects in the AA. As of the evaluation date, \$170 thousand of the commitment was outstanding.
- CB/PA renewed and increased its investment in a LMI housing fund to \$200 thousand. The fund seeks to revitalize low- and moderate-income neighborhoods within the bank's AA and addresses affordable housing needs for low- and moderate-income individuals and small business loan needs through various revolving funds.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Philadelphia MA is good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are accessible to geographies and individuals of different income levels within its AA. During the evaluation period, CB/PA significantly expanded its branches throughout the AA. The bank operates 54 branches, which is double the number of branches at the prior evaluation. Two of the new branches are located in moderate-income geographies. The remaining branches are in middle- or upper-income geographies. There were no branch closings. The percentage of branches in both low- and moderate-income geographies is below the demographics of the population residing in those geographies. However, as noted earlier, the majority of low- and moderate-income branches are located in Philadelphia County. Based on publicly available deposit data, there are 325 branches located in this county, which indicates a heavily banked marketplace. Additionally, four branches located in middle- and upper-income geographies are in close proximity to low- and moderate-income geographies, thus enhancing accessibility.

CB/PA offers extended lobby and drive-in hours, including Saturday and Sunday, which enhances the accessibility of the branches. The bank offers 78 hours of retail banking per week at all of its offices.

The bank has on-line banking services as well as Bank-by-Phone. However, the bank could not provide data to support how well these systems reach low- and moderate-income individuals. Therefore, these activities are given little weight in our overall analysis.

Community Development Services

CB/PA has provided a good level of community development services. Bank officers and staff have provided financial and technical expertise to various community services and

development organizations through board, administrative, and advisory positions. The following are examples:

- Greater Philadelphia Urban Affairs Coalition (GPUAC)/Delaware Valley Housing Partnership (DVHP) - This organization includes government representatives, community-based organizations, and leading businesses and financial institutions in Philadelphia. GPUAC promotes affordable housing and economic development in the city's low-income communities. The corporate CRA Officer serves as a Director of the GPUAC and serves on its Committee for Community and Economic Development. A CB/PA Community Mortgage Representative serves on the organization's Homebuyers Counseling Committee, and as an instructor and bank liaison for new counselors in training.
- Philadelphia Development Partnership (PDP) – The corporate CRA Officer serves on both the board of directors and its executive committee. PDP's mission is to promote economic development in low- and moderate-income neighborhoods in Philadelphia and focuses on job creation.
- Delaware County Industrial Development Corporation (DCIDC) – A regional vice president serves as both a member of the board of directors and the finance committee. DCIDC's mission is to promote economic development within Delaware County and acts as a conduit through which state and federally funded loan programs are granted.
- The Partnership CDC - Three officers of the bank have served as instructors for the First Time Homebuyer Program of this CDC. The CDC provides financial education services to low- and moderate-income residents of West Philadelphia. Additionally, the CDC acquires and rehabilitates vacant housing in this neighborhood.
- Federal Home Loan Bank of Pittsburgh/Affordable Housing Awards (FHLBP) – CB/PA sponsored two successful affordable housing grant applications through the FHLBP totaling \$165 thousand. These grants combined will aid in the development of 21 affordable rental and homeownership units in Philadelphia.
- Two community mortgage officers have conducted numerous community-based workshops and seminars designed to educate and assist first time low- and moderate-income homebuyers.

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): 01/01/00 to 12/31/02 Investment and Service Tests and CD Loans: 01/01/00 to 03/31/03	
Financial Institution	Products Reviewed	
Commerce Bank/Pennsylvania, National Association (CB/PA) Philadelphia, Pennsylvania	Home Mortgage, Small Loans to Businesses, Community Development Loans, Qualified CD Investments and Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Commerce Bank, NA (CBNA) Commerce Bank/Shore (CB/Shore) Commerce Bank/Delaware (CB/DE)	Bank Affiliate Bank Affiliate Bank Affiliate	Home Mortgage, Small Loans to Businesses Home Mortgage, Small Loans to Businesses Home Mortgage, Small Loans to Businesses
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Philadelphia MA #6160	Full Scope	Pennsylvania portion of MA including Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties

Appendix B: Market Profiles for Full-Scope Areas

Table of Contents

Market Profiles for Areas Receiving Full-Scope Reviews

Philadelphia MA 6160 B-1

Philadelphia MA 6160

Demographic Information for Full-Scope Area: Philadelphia MA 6160						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	964	9	17	41	30	3
Population by Geography	3,728,909	9	19	42	28	0
Owner-Occupied Housing by Geography	948,098	6	18	44	31	0
Businesses by Geography	332,469	6	13	39	42	0
Farms by Geography	4,584	1	4	48	47	0
Family Distribution by Income Level	954,214	21	18	23	38	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	369,317	17	30	41	13	0
Median Family Income		Median Housing Value (National Association of Realtors, 4Q02)				
HUD Adjusted Median Family Income for 2002	= \$41,908	Unemployment Rate				= \$152,000
Households Below the Poverty Level	= \$60,100					=6.1%
	=11.18%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI. Bureau of Labor Statistics, January 2003.

The AA matches the boundaries of the Pennsylvania portion of the Philadelphia Multistate PMSA #6160. The bank has delineated the AA to include the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia in their entirety. The AA has a mixture of urban and suburban areas. The two largest cities within the AA are Philadelphia (Philadelphia County) and Chester (Delaware County).

CB/PA operates 54 branches with \$2.6 billion in deposits, ranking 5th with a 4% market share. Major competitors include larger regional banks with more extensive branch networks. These banks include Wachovia, Citizens, PNC, and Sovereign.

There are 87 low- and 168 moderate-income geographies within the AA. Nearly all of the low- and 75% of the moderate-income geographies are located in the cities of Philadelphia and Chester.

The counties comprising the AA are typical of many of the country's older industrial centers, which have experienced an outward migration of residents and employment to the surrounding suburban areas.

Over the past four decades, the City of Philadelphia, once the industrial and commercial center of the region, has lost over 25% of its population and now totals 1.5 million. During this same period, the surrounding suburban counties have experienced dramatic growth. Suburban sprawl now reaches all but the western-most portions of these counties.

Coinciding with the loss in population has been the loss of many manufacturing and industrial businesses that provided jobs for city residents. As of January 2003, the area unemployment rate of 6.1% was slightly better than the overall state rate of 6.8%. The University of Pennsylvania and several healthcare systems provide the vast majority of jobs. While the city's downtown area has prospered, the loss of neighborhood-based businesses has severely eroded certain inner sections of the city, leaving them without an economic base. A substantial redevelopment effort, funded largely with federal and city tax dollars, is now underway in certain sections of the city in an effort to reverse this long decline.

Our community contacts included a quasi-government housing development corporation and a non-profit community development corporation. They indicated that continued efforts to rehabilitate and create affordable housing and the providing of financial literacy programs are primary credit needs of the AA.

Appendix C: Tables of Performance Data

Content of Standardized 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. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- 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 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.

Table 1. Lending Volume

LENDING VOLUME		Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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:												
Philadelphia MA	100.00	5,704	514,787	2,373	410,537	0	0	9	15,281	8,086	940,605	100.00

Table 1. Other Products

LENDING VOLUME		Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Community Development Letter of Credit**		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:														
Philadelphia MA	100.00	61	17,617	60	10,593	1	7,024	0	0	0	0	0	0	100.00

* Loan Data as of 12/31/2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans/Letter of Credit is 01/01/2000 to 03/31/2003.

*** Deposit Data as of 06/30/2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

* Loan Data as of 12/31/2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From 01/01/2000 to 03/31/2003.

*** Deposit Data as of 6/30/02. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: PENNSYLVANIA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002								
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:															
Philadelphia MA	1,498	100	6.18	8.41	18.43	18.02	43.96	33.18	31.43	40.25	0.63	1.89	0.85	0.45	0.70

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: PENNSYLVANIA				Evaluation Period: January 1, 2000 TO December 31, 2002								
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:															
Philadelphia MA	2,433	100	6.18	1.40	18.43	10.48	43.96	41.51	31.43	46.53	5.14	1.84	3.83	4.67	6.39

* Based on 2001 Peer Mortgage Data: Northeast 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.

* Based on 2001 Peer Mortgage Data: Northeast 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: PENNSYLVANIA					Evaluation Period: JANUARY 1, 2000 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:																				
Philadelphia MA	1,742	100	6.18	1.44	18.43	7.75	43.96	35.42	31.43	55.39	0.65	0.29	0.59	0.52	0.79					

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY											Geography: PENNSYLVANIA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp					
Full Review:																				
Philadelphia MA	31	100	7.44	9.68	14.19	19.35	47.39	38.71	30.98	32.26	1.17	4.17	0.00	2.04	0.00					

* Based on 2001 Peer Mortgage Data: Northeast 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.

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: PENNSYLVANIA		Evaluation Period: JANUARY 1, 2000 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:																
Philadelphia MA	2,373	100	6.34	3.82	12.69	8.82	38.76	32.81	41.72	54.56	1.20	1.03	1.05	0.90	1.63	

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE												Geography: PENNSYLVANIA		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002		
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:																
Philadelphia MA	1,498	100	20.81	12.64	17.89	19.30	23.30	20.58	38.00	47.48	0.78	0.49	0.74	0.66	0.95	

* Based on 2001 Peer Small Business Data: US.

** 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).

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 0.73% 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												Geography: PENNSYLVANIA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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:																					
Philadelphia MA	2,433	100	20.81	8.71	17.89	19.11	23.30	26.58	38.00	45.60	5.24	3.24	5.02	5.87	5.58						

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: PENNSYLVANIA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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:																					
Philadelphia MA	1,742	100	20.81	6.07	17.89	14.30	23.30	23.88	38.00	55.75	0.82	0.81	0.82	0.79	0.83						

^{*} Based on 2001 Peer Mortgage Data: Northeast Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 0.41% 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.

^{*} Based on 2001 Peer Mortgage Data: Northeast Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 1.66% 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: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2000 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:									
Philadelphia MA	2,373	100	55.06	55.50	57.69	20.94	21.37	1.20	1.76

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2000 TO MARCH 31, 2003				
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:									
Philadelphia MA	5	4,465	25	4,869	30	9,334	88.05	2	1,464
Broader Regional	1	667	1	600	2	1,267	11.95	0	0

* Based on 2001 Peer Small Business Data: US.

** 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 0.51% of small loans to businesses originated and purchased by the Bank.

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: PENNSYLVANIA Evaluation Period: JANUARY 1, 2000 TO MARCH 31, 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:																	
Philadelphia MA	100.00	54	100.00	1.85	5.56	38.89	53.70	26	0	0	+2	+15	+10	9.48	19.46	42.40	28.22

