



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Meridian Bank, National Association
Charter Number: 24320

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Wickenburg, AZ 85390-0000

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Arizona & New Mexico
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The following table indicates the performance level of Meridian Bank, National Association (MBNA) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Meridian Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
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:

- MBNA's small business lending activity is adequate.
- MBNA's percentage of loans in its assessment area, as well the geographic distribution of its business loans, is excellent.
- The distribution of MBNA's small loans to business of all sizes is adequate.
- The volume of MBNA's qualified investments is adequate in relation to the opportunities in the assessment area (AA). These investments are responsive to identified credit needs.
- MBNA's branches are reasonably accessible to geographies and individuals of all income levels. The range of services, products, and business hours do not vary in ways that inconvenience their customers, including low- and moderate-income individuals. The level and nature of community development services is adequate.

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.

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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (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 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 statistical 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). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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.

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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Meridian Bank, N.A. (MBNA) is an intrastate bank headquartered in Wickenburg, AZ. MBNA is 100 percent owned by Marquette Financial Companies of Minneapolis, Minnesota and operates seven subsidiary financial companies under the bank charter. The subsidiary companies are Builders Mortgage Company, LLC, Marquette Business Credit, Inc., Meridian Construction Capital, LLC, MFC Capital Funding, Inc, Marquette Equipment Finance LLC, Marquette Transportation Finance Inc., and Meridian AZ Properties, LLC. The lending activities of these related entities were not evaluated as part of this examination because for CRA purposes, bank subsidiaries are treated as affiliates. MBNA management did not request the OCC to consider any affiliate activities for this exam.

All eight full-service branches operate in Maricopa County. The Central branch is located in a moderate-income census tract (CT). The main office in Wickenburg and branches located in Gilbert, Glendale, and Gateway are located in middle-income CTs. The Fountain Hills, McDowell Mountain Ranch, and Scottsdale Promenade branches are located in upper-income CTs. MBNA has no branches in low-income CTs. Two branches opened during the review period (Gateway and Scottsdale Promenade), and three branches closed (Avondale/moderate-income; Kierland/upper-income, and Freedom Plaza Peoria/upper income).

To develop our understanding of the bank's performance context, we considered the bank's balance sheet structure and the significant dollar portion of bank deposits that are "out of area" brokered deposits. As of June 30, 2009, the bank reported total deposits of \$1.4 billion, of which \$738 million or more than half, were brokered. These deposits fund operations of the bank's seven financial subsidiaries, which all operate outside of Maricopa County. This factor was considered in our analysis and conclusions.

The bank's lending strategy is commercial focused. As of December 31, 2009 MBNA had total assets of \$1.6 billion, \$175 million in Tier 1 Capital, and net loans of just over \$1 billion, that represented 63 percent of total assets. The commercial loan portfolio is concentrated in commercial and industrial loans and leases that represented 61 percent, real estate 34 percent, and individual loans 5 percent, of total loans. Individual loans include consumer mortgage loans. MBNA does not have a formal consumer mortgage lending program.

This is MBNA's first examination as a Large Bank for CRA purposes. The bank received a rating of "Satisfactory" under the Intermediate Small Bank (ISB) test at the previous evaluation dated June 11, 2007.

Scope of the Evaluation

Evaluation Period / Products Evaluated

This Performance Evaluation assessed bank information since the previous CRA examination dated June 11, 2007. Our evaluation period for MBNA's Lending Test performance was based on reported small business loan originations from 2007, 2008, and 2009. Community Development loans were evaluated from June 11, 2007 to February 28, 2010. Qualified investments, retail and community development services covered the period April 1, 2007 to February 28, 2010.

Data Integrity

The bank's reported data is accurate. Although the bank was previously an ISB, they had already been collecting and reporting Home Mortgage Disclosure Act (HMDA) and CRA data. There have been no changes in the CRA Officer, or methods of internal processes for validating the HMDA and small business data; therefore, the data are deemed accurate. We verified community development loans, qualified investments, and services during the CRA examination to ensure they met the definition of community development.

Selection of Areas for Full-Scope Review

The bank has one AA, which is the County of Maricopa. There are no limited scope areas. See Appendix A for the dates utilized in the various tests for MBNA. See Appendix B for the Maricopa AA market profile.

Ratings

The bank's overall CRA rating is based on the full-scope review of the Maricopa AA. To conclude on MBNA's overall record of performance, we assessed activities in the AA under the Lending, Investment, and Service Tests. The rating methodology is structured such that the Lending Test is weighted most heavily of the three tests.

Under the Lending Test we considered reported HMDA data and concluded that an analysis of mortgage lending activity would not be meaningful. This is based on the bank's very low volume of HMDA reportable loans, no measurable market share, and its commercial lending strategy. Approximately 85 percent of the total number of loans originated or purchased during this CRA examination was commercial purpose. A review of small business lending activity was performed and was the basis of our Lending Test conclusions. Community development lending was limited and had no impact on our lending test conclusions.

Other

In six recent community contacts, community advocates expressed that needs in the AA ranged from housing issues (affordability, revitalization, foreclosure prevention) and small business issues (small loans, SBA loans, economic development) to broader issues encompassing quality of life (transportation, recreation, financial literacy for individuals as well as businesses). The needs tended to mirror the focus of the organization interviewed.

However, overall responses (especially those gathered in 2008 and 2009 when economic conditions in Phoenix became more severe) are that needs are outstripping local banks' abilities to meet them.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "High Satisfactory". This is based on a full-scope review of the Maricopa AA.

Lending Activity

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

In the Maricopa AA, lending activity is adequate. MBNA's market share of small business loans is 0.10 percent by the number and 0.72 percent by total dollars. Although these percentages would indicate poor performance when compared to the bank's deposit market share of 2.49 percent, we considered the activity adequate because of two significant mitigating factors. First, MBNA competes with 78 other depository financial institutions and reported a 2.49 percent deposit market share of deposits in June 2009, ranking 8th in the market for deposits. As noted under the description of institution, this is an inflated deposit market share due to "out-of-area" brokered deposits which we considered in our analysis. Second, approximately half of the reporting institutions with larger market shares by number of loans are issuers of business credit cards that report no deposits in the market. MBNA ranks 23rd by number of loans and there are 194 other small business lenders in the market.

Distribution of Loans by Income Level of Geography

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 of small loans to businesses.

MBNA's geographic distribution of small loans to businesses in the Maricopa County AA is excellent. The portion of loans originated in both low-and moderate income geographies significantly exceeds the percentages of businesses in those geographies. MBNA's market share of loans in the low-income geography exceeds its overall market share. Additionally, the market share of loans in the moderate-income geography significantly exceeds its overall market share.

Lending Gap Analysis

Our geographic distribution analysis included a review for any unexplained lending gaps in the Maricopa AA, particularly in low- and moderate- income areas. We did not identify any unexplained conspicuous gaps.

Inside/Outside Ratio

The percentage of loans made in the Maricopa County AA is excellent and contributed to the overall excellent geographic distribution of loans. Specifically, 94 percent of the total number, and 91 percent of the total dollars, of small business loans were made inside the AA. While we did not analyze HMDA lending in the other tests, we considered how it impacted the Inside/Outside ratio. The percentages would be 90 percent of the total number and 86 percent of the total dollar for HMDA and small business lending combined, which is excellent performance.

Distribution of Loans by Income Level of the Borrower

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 of small loans to businesses.

The distribution of loans to businesses with revenues of \$1 million or less in the Maricopa AA is adequate. We looked at three factors to arrive at this conclusion.

The portion of loans to businesses of this type in the AA is lower than the demographic of businesses in the Maricopa AA. This is mitigated because no gross annual revenue was available for 17 percent of the small loans to businesses originated by the bank. The reason for this variance is due to the bank making a significant number of loans to individuals for business purposes. CRA data reporting requires banks to collect the gross annual revenues (GAR) they considered when making the loan. However, when the loan is made to an individual, rather than a business, there may be no reportable GAR. When we evaluated those loans with unknown revenues, 68 percent of the number of those loans were in amounts of less than \$100 thousand. Using loan size as a proxy for small business, we concluded that the demographic factor was adequate.

Another factor considered was the bank's market share of small loans to businesses. This measure significantly exceeds its overall market share, indicating excellent performance. Lastly, we looked at MBNA's performance in making very small loans. MBNA originated only 57 percent of total loans of \$100 thousand or less. When coupled with small loans to individuals for business purposes as described above, it indicates adequate responsiveness to the needs of businesses that are small.

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 community development loans.

MBNA reported one community development loan for \$1.7 million. Originally, the loan was made to a developer that ultimately could not perform. As a result, the bank had to foreclose on 18 homes. This property, in a low-income CT targeted for revitalization, was subsequently turned into affordable housing. The level of lending on this one loan in relation to the opportunities for community development lending, meets the spirit of community development, but was not significant enough to have a positive impact on the lending test.

Product Innovation and Flexibility.

The bank has no innovative or flexible loan products to report.

INVESTMENT TEST

Performance under the Investment Test is rated “Low Satisfactory.” The bank’s performance is adequate. In total, MBNA invested \$484 thousand in its AA, representing 0.28 percent of its Tier 1 Capital.

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

There are both opportunities, and a high level of competition for qualified investments in Maricopa County, which includes the Phoenix MSA. There are 78 total depository financial institutions in the AA which compete for community development opportunities. This includes larger, multi-national, and regional banks. MBNA has elected Subchapter S tax treatment, which means some tax-credit based investment opportunities are not viable options for the bank. Thus, we considered community investment opportunities in MBNA’s AAs to be somewhat limited. We took this into account along with the innovation, complexity, and responsiveness of qualified investments in arriving at our conclusions for the Investment Test.

The volume and nature of MBNA’s qualified investments in the Maricopa County AA are adequate. Qualified investments totaling \$484 thousand consisted primarily of grants to community service organizations targeted to low- and moderate-income individuals, with a strong emphasis on financial literacy. Bank management made efforts to meet some affordable housing needs through investments rather than loans, although residential lending is not part of the bank’s strategy. MBNA made \$165 thousand in grants to several affordable housing related organizations, including some for foreclosure prevention. A smaller portion of the qualified investments (\$34 thousand) were for revitalization projects and to promote economic development funds to community organizations that provide financing to small businesses. All of these activities are identified as needs in the Maricopa County AA and these investments demonstrate MBNA’s responsiveness to this need. All investments were in the bank’s AA.

One example of a complex project that combined community development investments and services was collaboration with three other organizations. MBNA was a leader in expanding a financial literacy program they were already providing in schools. A number of employees were already certified trainers in the financial literacy curriculum. This project combined investments and services, leveraging their grant dollars with matching funds, and capitalizing on their teaching expertise. The bank partnered with existing organizations: one that had already identified and was providing qualifying services to low- and moderate-income youth, another that matched the bank’s \$25 thousand grant, and a third that doubled the matched grants and provided the monitoring and servicing of the program. The program is Individual Development Accounts (IDA), a federally recognized wealth building vehicle for low- and moderate-income individuals that can be used for a variety of purposes, in this case for higher-education costs. Through collaboration with the three other organizations, the bank provided

the initial funds that were then leveraged through two other participating organizations into \$100 thousand, and the bank provided financial literacy training expertise to satisfy the literacy requirements for the IDA program. Because the training is labor intensive, it is not routinely provided by other financial institutions.

SERVICE TEST

The bank's performance under the Service Test is rated "Low Satisfactory." Based on a full-scope review of retail banking services, the bank's performance is good. MBNA has eight full-service branches which are located in moderate-, middle-, and upper-income CTs. No branches are located in low-income CTs. All branches are reasonably accessible to geographies and individuals of all income levels. MBNA offers an adequate level of community development services that are somewhat responsive. This adequate level of community development services had a neutral impact on the Service Test rating.

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.

MBNA's branches are reasonably accessible to geographies and individuals of all income levels. MBNA's retail branches are located throughout the Maricopa AA. There are no branches in low-income areas. However, less than five percent of businesses and less than five percent of the population of the AA are in low-income CTs. One branch is in a moderate-income area. One branch is in an upper income area, but is adjacent to a cluster of eight moderate-income CTs. Twenty-one percent of businesses in the AA are in moderate-income CTs. The remaining six branches are not near or adjacent to low- and moderate-income CTs.

There were three branches closed and two opened during the evaluation period. Two closures were in upper-income CTs. There were two written community complaints in 2008 about the closure of the Avondale office, which was in a moderate-income CT. The bank was responsive to these customers by providing information on the new Gateway branch in a middle-income CT less than five miles away, which opened two months before the Avondale branch closed. The bank also offered information on alternative delivery systems, such as existing courier services and remote deposit capture technology. The other branch that opened was in an upper-income CT.

MBNA offers a wide range of services that do not vary in ways that inconvenienced its customers, including low- and moderate-income individuals. Bank products, services, and business hours are reasonable. Refer to MBNA's Public File for a current list of available products and services.

Alternative service delivery systems include courier, Remote Deposit Capture, internet, phone banking, bill-payment services, ATM locations at each branch, Saturday banking hours, and "drive thru" banking. MBNA belongs to the "Instant-Cash" ATM Network that allows Meridian Bank's customers to access ATMs "free" of service charges at over 500 ATM's statewide.

Community Development Services

The level and nature of MBNA's community development services is adequate.

The bank provides a number of service hours to various organizations in the community, but not all organizations have a primary purpose of community development and thus do not qualify for CRA consideration. The financial or technical services that were directly related to qualifying community development organizations totaled 319 hours.

Following are examples of community development services that benefit the Maricopa AA:

Bank employees spend time teaching financial literacy classes as described under the Investment Test section, as part of a more complex community development program. This project targets low- and moderate-income children and their families.

Bank officers also spend time teaching financial literacy classes in two local schools where a majority of the children are from low- and moderate-income families.

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 nonmetropolitan 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 Loan) 01/01/2007 to 12/31/2009 Investment and Service Tests 04/01/2007 TO 2/28/2010 CD Loans: 06/11/2007 to 2/28/2010	
Financial Institution	Products Reviewed	
Meridian Bank, National Association, Wickenburg, AZ	Business Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not reviewed		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Maricopa County	Full Scope	

Appendix B: Market Profiles for Full-Scope Areas

Maricopa County AA/Phoenix-Mesa-Scottsdale MSA

Demographic Information for Full Scope Area: Meridian 2009						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	663	6.03	27.30	34.69	31.37	0.60
Population by Geography	3,072,149	4.88	28.69	36.78	29.64	0.01
Owner-Occupied Housing by Geography	764,563	1.53	21.47	40.34	36.66	0.00
Business by Geography	343,524	4.61	21.12	32.11	42.09	0.07
Farms by Geography	5,888	2.55	19.75	36.38	41.27	0.05
Family Distribution by Income Level	768,800	19.09	18.51	21.75	40.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	289,057	7.44	41.75	36.25	14.56	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below Poverty Level		51,172 65,900 10%	Median Housing Value Unemployment Rate (2000 US Census)	130,648 2.31%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2009 HUD updated MFI

Based on the 2000 census, which is the database used for this analysis, there are 663 CTs in Maricopa County. Those CTs include 208 (31 percent) upper-, 230 (35 percent) middle-, 181 (27 percent) moderate-, and 40 (6 percent) low-income tracts. There are also four "NA" tracts (usually consisting of prisons, universities, etc., for which there is no reported income by the population to allow a designation of low- to upper-income). The AA meets the legal requirements of the CRA and does not arbitrarily exclude low- and moderate-income geographies. For additional details on the CTs and income designations, see the bank's public file.

Maricopa County is one of the fastest growing metropolitan areas of the nation, with a 2000 U.S. Census population of 3,072,149. It is the fourth most populous county in the United States, with 2006 population estimates of 3,792,675. More than half the state's population resides in Maricopa County. The Department of Housing and Urban Development (HUD) provided an estimated update for Maricopa County's 2009 adjusted median family income (MFI) at \$65,900.

The unemployment rate for Maricopa County has been increasing over the last 3 years, from 3.2 percent in 2007 to 6.0 percent estimated for 2009. According to the Phoenix Business Journal December 10, 2009, the top 10 employers in the greater Phoenix area include (in order) the state of Arizona, Wal-Mart Stores Inc., Banner Health System, the city of Phoenix, Wells Fargo and Co., Maricopa County, Apollo Group (University of Phoenix parent), Arizona State University, Raytheon Co., and Honeywell Inc.

In six recent community contacts, the expressed needs in the AA ranged from housing issues (affordability, revitalization, preventing foreclosure) and small business issues (small loans, SBA loans, economic development) to broader issues encompassing quality of life

(transportation, recreation, financial literacy for individuals as well as businesses). The needs tended to mirror the focus of the organization interviewed, but the overall response (especially in contacts conducted later into the recession) was that needs were out-stripping the area banks' abilities to meet them.

Competition for financial services is strong, with 78 financial institutions dividing \$58 billion worth of deposits among them as of June 30, 2009. The top three banks (members of nationwide organizations with hundreds of branches in the Phoenix-Mesa-Scottsdale MSA) hold over 65 percent of the deposits. MBNA has only 8 branches and holds just 2.5 percent of the reported deposits. Even this small percent of deposits overstates MBNA's relative size in the area; \$738 million of their \$1.4 billion deposits are brokered deposits from outside the AA which are utilized to fund the operations of out-of-state subsidiaries. The bank's 2009 small business lending market share is 0.10 percent of the number and 0.72 percent of the dollar amount. MBNA ranks 23 among 194 small business lenders. At December 31, 2009, the bank had net loans of just over \$1 billion.

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: (1) 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; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- 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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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.

Institution ID: MERIDIAN BANK, NA

Table 1. Lending Volume

LENDING VOLUME		Geography: MARICOPA COUNTY						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009				
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:												
Maricopa County	100.00	101	23,980	553	93,113	0	0	1	1,700	655	118,793	100.00

* Loan Data as of December 31, 2009. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is June 11, 2007 to February 28, 2010.

*** Deposit Data as of June 30, 2009. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: MERIDIAN BANK, NA

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: MARICOPA COUNTY						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
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:															
Maricopa County	51	100.00	1.53	35.29	21.47	21.57	40.34	29.41	36.66	13.73	0.00	0.00	0.02	0.00	0.00

* Based on 2008 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: MERIDIAN BANK, NA

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: MARICOPA COUNTY				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					Market Share (%) by Geography				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over-all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner OCC Units***	% BANK Loans****	% Owner OCC Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans						
Full Review:																
Maricopa County	5	100.00	1.53	0.00	21.47	0.00	40.34	40.00	36.66	60.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2008 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: MERIDIAN BANK, NA

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: MARICOPA COUNTY				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over-all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner OCC Units***	% BANK Loans****	% Owner OCC Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans						
Full Review:																
Maricopa County	43	100.00	1.53	0.00	21.47	11.63	40.34	48.84	36.66	39.53	0.02	0.00	0.01	0.02	0.02	

* Based on 2008 Peer Mortgage Data (Western)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: MERIDIAN BANK, NA

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MARICOPA COUNTY						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
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:															
Maricopa County	2	100.00	6.97	0.00	40.88	50.00	36.33	50.00	15.82	0.00	0.28	0.00	0.66	0.00	0.00

^{*} Based on 2008 Peer Mortgage Data (Western)

^{**} Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

^{***} Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

^{****} Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: MERIDIAN BANK, NA

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: MARICOPA COUNTY					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009				
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:																					
Maricopa County	553	100.00	4.61	5.42	21.12	25.50	32.11	23.33	42.09	45.75	0.10	0.10	0.16	0.08	0.10						

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2009).

Institution ID: MERIDIAN BANK, NA

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MARICOPA CNTY						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
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 ¹	% BANK Loans**	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Maricopa County	51	100.00	19.09	0.00	18.51	3.45	21.75	72.41	40.65	24.14	0.00	0.00	0.01	0.00	0.00

* Based on 2008 Peer Mortgage Data (Western)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 43.1% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: MERIDIAN BANK, NA

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: MARICOPA CNTY								Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					
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 ²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Maricopa County	5	100.00	19.09	0.00	18.51	20.00	21.75	20.00	40.65	60.00	0.00	0.00	0.00	0.00	0.00

* Based on 2008 Peer Mortgage Data (Western)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: MERIDIAN BANK, NA

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: MARICOPA CNTY						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
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 ³	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{***} *	Over-all	Low	Mod	Mid	Upp
Full Review:															
Maricopa County	43	100.00	19.09	10.53	18.51	18.42	21.75	23.68	40.65	47.37	0.01	0.06	0.01	0.01	0.01

^{*} Based on 2008 Peer Mortgage Data (Western)

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

^{***} Percentage of Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 11.6% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: MERIDIAN BANK, NA

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MARICOPA CNTY		Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					
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:									
Maricopa County	553	100.00	75.31	46.29	57.14	22.42	20.43	0.10	0.15

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2009).

**** 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 17.00% of small loans to businesses originated and purchased by the bank.

Institution ID: MERIDIAN BANK, NA

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MARICOPA CNTY				Evaluation Period: APRIL 1, 2007 TO FEBRUARY 28, 2010			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Maricopa County	0	0	31	484	31	484	100	0	0

* 'Prior Period Investments' means investments made in a previous 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.

Institution ID: MERIDIAN BANK, NA

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MARICOPA CNTY Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009																	
MA/Assessment Area:	Deposit s	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:																	
Maricopa County	100.00	8	100	0.00	12.5	50.00	37.5	8	3	0	-1	+1	-1	4.88	28.69	36.78	29.64