



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

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Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Sun National Bank
Charter Number: 18606**

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Office of the Comptroller of the Currency

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NOTE: 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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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **Sun National Bank** prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of **May 1, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) Affordable 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.

Full-Scope Review Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

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 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

Limited-Scope 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, branch distribution).

Low-Income- Income levels that are less than 50% of the median family income.

Median Family Income (MFI) The median income determined by the United States 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 Statistical Area (MSA) Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income -Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income -Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital- The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income- Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

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

Performance Levels	Sun National Bank Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			X
High Satisfactory	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 level of lending with regards to small loans to businesses, and community development loans that are responsive to the assessment areas' credit needs.
- Good loan distribution among geographies and retail borrowers of different income levels.
- Adequate distribution of small loans to small businesses.
- Good level of community development loans that had a positive impact on the bank's lending rating.
- Flexible and innovative lending practices that had a positive impact on the bank's lending performance.
- Good level of qualified investments that are responsive to the identified needs in the assessment area.
- Service delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area.

- Improved accessibility of delivery systems through the opening of branches in moderate-income geographies, and services tailored to meet the needs in low- and moderate-income geographies.
- Excellent level of community development services provided in the assessment areas that are very responsive to the identified needs in the assessment area.

Description of Institution

Sun National Bank (SNB) is a wholly owned subsidiary of Sun Bancorp, Inc., a multi-bank holding company. Both entities are headquartered in Vineland, New Jersey. SNB's affiliates include Sun National Bank Delaware located in Wilmington, Delaware, and Sun Capital Trust I and II, capital financing vehicles for Sun Bancorp. SNB has two wholly owned subsidiaries: Sun Financial Services, engaged in life insurance and annuity sales, and Med-Vine, Inc., a holding company for SNB's investment securities. The investment activities of Med-Vine, Inc. are considered in this evaluation.

During the evaluation period SNB also owned a mortgage banking subsidiary. In October of 1998, SNB established a Mortgage Banking Subsidiary, Sun Mortgage Co. This subsidiary acted primarily as a mortgage loan broker and, as such, did not originate loans for SNB. During the evaluation period, SNB originated its own residential real estate loans, which is primarily done as an accommodation to its customers, and also through the bank's participation in a residential mortgage program with the City of Vineland. In February 2000, SNB dissolved its mortgage banking subsidiary, and outsourced the mortgage lending function to a third party. SNB had previously outsourced its mortgage lending function to a third party prior to the formation of the mortgage subsidiary. Agricultural lending is not a primary business line of the bank.

As of December 31, 1999, Sun Bancorp reported assets totaling \$1.98 billion, of which \$1.81 billion relates to SNB. In April 1999, SNB expanded its market area beyond New Jersey to Pennsylvania with the opening of a loan production office in Philadelphia, Pennsylvania. SNB became an interstate bank when the office was subsequently made a full service branch in December 1999. SNB revised its Southern New Jersey assessment area effective March 1, 2000 to include portions of Pennsylvania served by the new branch office. This evaluation does not consider the assessment area expansion into Pennsylvania since the branch office existed for a short time during the review period. SNB is therefore viewed as an intrastate bank for purposes of this evaluation.

Also during 1999, SNB opened 14 *de novo* offices, and completed acquisitions of 16 branch offices in central and southern New Jersey. As a result of these activities, the bank expanded its Northern New Jersey assessment area to include Hunterdon County, remaining parts of Somerset County, and additional parts of Middlesex County. Due to SNB's recent entrance into Hunterdon County (September 1999), it is not considered for purposes of this evaluation.

SNB has a network of 64 branch offices, known as Financial Service Centers (FSCs), in central and southern New Jersey (includes one FSC in Hunterdon County), and one FSC in southeastern Pennsylvania (Philadelphia County), which was not considered in this evaluation. The bank offers a full range of loan and deposit products and services, including home equity loans, mortgage loans, a variety of commercial business and commercial real estate loans and, to a lesser extent, installment loans. SNB's lending focus is commercial loans to small- and medium-sized businesses. The bank is a participating Small Business Administration (SBA) lender within the Certified Lenders Program.

As of December 31, 1999, net loans totaled \$801.2 million and represent 44% of total assets. Commercial and commercial real estate loans represent 76% of net loans, followed by residential real estate (9%), construction (8%), and consumer loans (3%). There are no legal, financial or other factors impeding SNB's ability to help meet the credit needs of the communities it serves. As of December 31, 1999, SNB reported Tier 1 capital of \$95.7 million.

SNB's wholly-owned subsidiary, Med-Vine Inc., holds the majority of SNB's investment securities, including qualified CRA investments. The subsidiary was formed to take advantage of Delaware's tax laws. As of December 31, 1999, Med-Vine Inc. reported assets totaling \$392.4 million and net income of \$24.6 million. SNB's other subsidiary, Sun Financial Services, engages in life insurance and annuity sales. Sun Mortgage Company was also a subsidiary of SNB during the evaluation period. The bank's capacity for community reinvestment is not impacted by these subsidiaries.

SNB was rated "Satisfactory" at its last CRA evaluation dated June 22, 1998.

Scope of the Evaluation

Evaluation Period/Products Evaluated

With the exception of community development (CD) loans, the evaluation period for the Lending Test is April 1, 1998 through December 31, 1999. For CD loans, the Investment Test and the Service Test, the evaluation period is June 23, 1998 to May 1, 2000.

For the Lending Test, SNB's origination/purchase of home mortgage loans, small loans to businesses and CD loans were evaluated. SNB did not originate/purchase small loans to farms during the evaluation period.

Data Integrity

As part of this CRA evaluation, publicly filed information for HMDA reportable loans and loans to small businesses were tested for accuracy.

Overall, the data integrity of HMDA reportable loans and loans to small businesses is considered accurate. While errors were detected in key fields for mortgage and small business loans sampled, the volume of these findings do not materially impact data integrity. Bank management responded quickly in researching the cause and correcting all exceptions.

CD loans, investments and services submitted by management were also verified to ensure that they met the regulatory definition for CD.

Selection of Areas for Full-Scope Review

SNB designates two assessment areas within the Consolidated Metropolitan Statistical Areas (CMSAs) of Philadelphia-Wilmington-Atlantic City (Southern New Jersey assessment area), and New York-Northern New Jersey-Long Island (Northern New Jersey assessment area). The Southern New Jersey assessment area (SNJAA) was selected for a full-scope review and is comprised of three Primary Metropolitan Statistical Areas (PMSAs): Vineland-Millville-Bridgeton (PMSA 8760); Atlantic-Cape May (PMSA 0560); and the New Jersey portion of Philadelphia PA-NJ (PMSA 6160). The SNJAA collectively represents SNB's major market and accounts for approximately 74% of SNB's deposits and lending activity over the evaluation period. The Northern New Jersey assessment area (NNJAA) received a limited-scope review and consists of two PMSAs: Monmouth-Ocean (PMSA 5190), and Trenton (PMSA 8480); and, two counties: Somerset County, and parts of Middlesex County (both part of PMSA 5015).

Ratings

The ratings are based primarily on conclusions reached in the evaluation of SNB's performance in the SNJAA. Also, as noted previously in this evaluation, SNB's lending focus is commercial loans to small- and medium-sized businesses. Therefore, the Lending Test places greater weight on the level of lending to small businesses and community development lending. Refer to Appendix A for additional information regarding which areas received full-scope and limited-scope reviews.

Other

Recent contacts with community organizations in the bank's SNJAA include the following: two Community Development Financial Institutions - one engaged in business loan programs focused on the City of Camden, and the other engaged in a variety of community development activities that encompass Southern and Central New Jersey; a Community Based Development Organization providing services to a micro loan fund that targets Southern and Central New Jersey, and a micro loan fund targeting Pleasantville and Atlantic City; and a Community Development Corporation that supports organizations in the creation of affordable housing and economic development throughout New Jersey. Also, in conjunction with this evaluation, we contacted a Community Development Financial Institution which provides loans and technical assistance to facilitate affordable housing, small business and economic development in New Jersey. Based on these contacts, the SNJAA has the following needs, which we considered in our evaluation of SNB's performance under the Lending, Investment and Service Tests:

- technical support, entrepreneurial training, credit counseling, and increased awareness of loan programs for start-up and small businesses;
- affordable rental and single family housing, especially in urban areas with high concentrations of low- and moderate-income populations; and
- affordable home mortgage products targeted to low- and moderate-income individuals.

Fair Lending Review

A validation of SNB's fair lending compliance self-assessment was performed in conjunction with this CRA evaluation to determine the bank's compliance with anti-discrimination laws and regulations. The bank's fair lending review covered residential mortgage loans brokered by its mortgage subsidiary, Sun Mortgage Company, during a three month period in 1999 (9/1-11/30). Specifically, an analysis was performed on the Mortgage Company's pricing practices. Based on our validation procedures, no pattern of illegal discrimination was evident in the Mortgage Company's pricing practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

SNB's performance under the Lending Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the SNJAA is good. In the individual PMSAs, the bank's performance is good in Atlantic-Cape May and Vineland-Millville-Bridgeton, and adequate in the New Jersey portion of Philadelphia.

Lending Activity

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

In the SNJAA, 55% of loans originated/purchased during the evaluation period were home mortgage loans, and 45% were comprised of small loans to businesses. A majority of home mortgage loans (52%) and small loans to businesses (60%) were in the Atlantic-Cape May PMSA. No agricultural loans were reported in the evaluation period.

Among home mortgage loan originations/purchases in the SNJAA, 43% were for home purchase, 24% were for home mortgage refinance and 33% were for home improvement.

SNB's lending activity is adequate in the SNJAA. In the individual PMSAs, the bank's lending activity is considered good in Atlantic-Cape May due to its market share of small business loans, and adequate in both Vineland-Millville-Bridgeton and the New Jersey portion of Philadelphia.

SNB has a 3.6% deposit market share in the SNJAA based on data as of June 30, 1999. The bank's largest deposit market share is in the Vineland-Millville-Bridgeton PMSA (11%), followed by the Atlantic-Cape May PMSA (7%) and the

New Jersey portion of the Philadelphia PMSA (2%). On a county level, the largest deposit market share is Cumberland County, which comprises the Vineland-Millville-Bridgeton PMSA (11%), followed by Atlantic County (9%) and Salem County (7%). Remaining counties in the SNJAA have less than 5% deposit market share.

Based on 1998 HMDA aggregate data, SNB's market share of home improvement loan originations/purchases in the SNJAA is 1%, and its market share of both home purchase and refinance loans is less than 1%. In the individual PMSAs, the bank's largest market share of home improvement loans is in Vineland-Millville-Bridgeton (3.5%), followed by Atlantic-Cape May (2.7%). The Vineland-Millville-Bridgeton PMSA also represents the bank's largest market share of home purchase loans (1.6%), followed by the Atlantic-Cape May PMSA (.80%). None of the individual PMSAs have greater than 1% market share of home refinance loans. The New Jersey portion of the Philadelphia PMSA has less than 1% market share for each loan type.

SNB's market share for home mortgage loans in the SNJAA and each of the PMSAs is below its respective deposit market shares. However, the Vineland-Millville-Bridgeton PMSA represents the bank's largest market share for both deposits and home mortgage loans, followed by Atlantic-Cape May and Philadelphia. Furthermore, SNB competes with large nationwide and regional lenders who focus solely or place greater emphasis on home mortgage lending than the bank.

Based on 1998 CRA aggregate data, SNB's market share of small loans to businesses in the SNJAA is 2.1%, ranking the bank 13th among reporting lenders. The top three lenders are large nationwide credit card companies and, on a combined basis, represent 42% of total small loans to businesses. Remaining lenders with greater market share include large regional banks and local midsize and small community banks. In the PMSAs, the bank's largest market share of small loans to businesses is in Atlantic-Cape May (5.3%), where the bank ranks as the fifth largest lender behind a large regional bank. Again, the top three lenders are large nationwide credit card companies. In the Vineland-Millville-Bridgeton PMSA, SNB has a 3.2% market share and ranks ninth. Two small local community banks dominate the market each with 22% market share. SNB faces the largest competition for small loans to businesses in the Philadelphia PMSA where its market share is 1%.

Distribution of Loans by Income Level of the Geography

The geographic distribution of SNB's home mortgage loans and small loans to businesses reflects good penetration throughout the SNJAA. In the individual PMSAs, geographic distribution is good in Vineland-Millville-Bridgeton, and in Atlantic-Cape May. The New Jersey portion of Philadelphia is adequate.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of SNB's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is adequate in the SNJAA, and as follows in the individual PMSAs: Vineland-Millville-Bridgeton - good; Atlantic-Cape May - good; and, Philadelphia - poor. The following analysis compares for each home mortgage loan type (i.e., home purchase, home improvement and refinance) the percentage of SNB's lending in low-income and moderate-income geographies to the portion of owner-occupied units in these respective income geographies. Also, for each loan type, the bank's market share within low-income and moderate-income geographies is compared to the bank's overall market share. Given that the bank has a very small market share for home mortgage loans in the Philadelphia PMSA, as well as for refinance loans in all PMSAs, a market share comparison is not meaningful and not discussed for the Philadelphia PMSA and for refinance lending.

Home purchase loan geographic distribution is good in the SNJAA, and the individual PMSAs with the exception of the Philadelphia PMSA where distribution is poor.

In the Atlantic-Cape May PMSA, the percentage of home purchase loans made in low-income geographies equals the percentage of owner-occupied units in those geographies. The percentage of loans made in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies.

In the Vineland-Millville-Bridgeton PMSAs, the percentage of home purchase loans made in low-income geographies exceeds the percentage of owner-occupied units in those geographies. The percentage of loans made in moderate-income geographies is near the percentage of owner-occupied housing units that are within those geographies.

In the New Jersey portion of the Philadelphia PMSA, the percentage of home purchase loans is below the portion of owner-occupied units in both low- and moderate-income geographies.

For 1998, in the Atlantic-Cape May PMSA, SNB's market share for home purchase loans in both low-income and moderate-income geographies exceeds its overall market share for home purchase loans. In the Vineland-Millville-Bridgeton PMSA, the bank's market share in the low-income geography significantly exceeds, and in moderate-income geographies it substantially meets its overall market share.

Home improvement loan geographic distribution is adequate in the SNJAA. For the individual PMSAs, loan geographic distribution is good in both the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs, and poor in the Philadelphia PMSA.

In the Vineland-Millville-Bridgeton PMSA, the percentage of home improvement loans made in moderate-income geographies is near the percentage of owner occupied units within those geographies. No loans were made in low-income geographies. Less than one-percent of the owner-occupied units are located in these geographies.

In the Atlantic-Cape May PMSA, the percentage of home improvement loans made in low-income geographies exceeds the percentage of owner-occupied units in those geographies. The percentage of loans made in moderate-income geographies is below the percentage of owner-occupied housing units that are within those geographies.

In the New Jersey portion of the Philadelphia PMSA, the portion of home improvement loans made in both low-income and moderate-income geographies is below the portion of owner-occupied housing units in the respective geographies.

In 1998, in both the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs, SNB's market share substantially meets its overall market share in moderate-income geographies. SNB shows no market share for home improvement loans in low-income geographies in both of these PMSAs.

Refinance loan geographic distribution is adequate in the SNJAA. In the individual PMSAs, refinance loan geographic distribution is adequate in both Atlantic-Cape May and Vineland-Millville-Bridgeton, and poor in Philadelphia.

In both the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs, the percentage of refinance loans made in moderate-income geographies is below the percentage of owner-occupied housing units that are within those geographies. No loans were made in moderate-income geographies in the NJ portion of the Philadelphia PMSA. Seven percent of owner occupied units are located in these geographies.

In the Vineland-Millville-Bridgeton PMSA the percentage of refinance loans in low-income geographies exceeds the percentage of owner-occupied units in those geographies. Less than one-percent of the owner occupied units are located in these geographies.

In the NJ portion of the Philadelphia PMSA, the percentage of refinance loans made in low-income geographies equaled the percentage of owner occupied units in these geographies. In the Atlantic Cape May PMSA, no refinance loans were made in low-income geographies, however, only one-percent of the owner occupied units are located in these geographies.

Small Loans to Businesses

Refer to Table 5 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 good in the SNJAA. In the individual PMSAs, SNB's performance is excellent in the Vineland-Millville-Bridgeton PMSA, and adequate in both the Atlantic-Cape May and Philadelphia PMSAs. The following analysis compares the portion of SNB's small loans to businesses in low-income and moderate-income geographies to the portion of businesses in those respective income geographies. Also, the bank's market share for small loans to businesses within low-income and moderate-income geographies is compared to its overall market share. Since SNB has a small market share for small loans to businesses in the Philadelphia PMSA, a market share comparison is not meaningful and is not discussed for the Philadelphia PMSA.

In the Atlantic-Cape May PMSA, the percentage of small loans to businesses made in low-income geographies is near the percentage of businesses in those geographies. The percentage of loans originated in moderate-income geographies is below the percentage of businesses in those geographies. In 1998, SNB's market share for small loans to businesses in low-income geographies is below its overall market share. The market share in moderate-income geographies substantially meets its overall market share for small loans to businesses.

In the Vineland-Millville-Bridgeton PMSA, the percentage of small loans to businesses in low-income geographies is near the percentage businesses in those geographies. The percentage of small loans to businesses in moderate-income geographies significantly exceeds the percentage of businesses that are within those geographies. For 1998, SNB's market share for small loans to businesses in both low-income and moderate-income geographies exceeds its overall market share.

In the New Jersey portion of the Philadelphia PMSA, the percentage of small loans to businesses in moderate-income geographies equals the percentage of businesses that are within those geographies. No small loans to businesses were made in low-income geographies. Three percent of businesses in the assessment area are located in these geographies.

Small Loans to Farms

SNB did not originate small loans to farms during the evaluation period.

Lending Gap Analysis

Reports detailing SNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans, focusing on low- and moderate-income geographies. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

On a bank level, a substantial majority of the home mortgage loans, small loans to businesses and CD loans originated/purchased by SNB over the evaluation period were within the assessment areas (i.e., SNJAA and NNJAA). Ninety-five percent of the bank's home mortgage loans, 87% of the small loans to businesses, and 100% of CD loans were within its assessment areas. This performance was positively factored into the overall analysis of the geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of SNB's home mortgage loans and small loans to businesses reflects a good dispersion among borrowers of different income levels throughout the SNJAA and the individual PMSAs.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 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 following analysis compares for each home mortgage loan type (i.e., home purchase, home improvement and refinance) the portion of SNB's lending to low-income and moderate-income borrowers to the portion of families in those respective income categories. Also, for each loan type, the bank's market share for low- and moderate-income borrowers is compared to the bank's overall market share. Given that the bank has a very small market share for home mortgage loans in the Philadelphia PMSA, and for refinance loans in all PMSAs, a market share comparison is not meaningful and is not discussed for the Philadelphia PMSA and refinance loans.

Home purchase loan distribution by borrower income level is excellent in the SNJAA, as well as the Atlantic-Cape May, Vineland-Millville-Bridgeton, and Philadelphia PMSAs. In each of the PMSAs, the portion of home purchase loans made to moderate-income borrowers significantly exceeds the percentage of families that are moderate-income. This is more pronounced in both the Philadelphia, and Vineland-Millville-Bridgeton PMSAs. The percentage of SNB's home purchase lending to low-income borrowers exceeds the percentage of families that are low-income in the New Jersey portion of the Philadelphia PMSA.

The percentage of lending to low-income borrowers is below the percentage of families that are low-income in the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs. However, this performance is good when considering that it is difficult for a low-income person to afford a home based on income and housing costs, as discussed below:

In the Atlantic-Cape May PMSA, the updated median family income is \$48,800, a low-income person has income of less than \$24,400. The median cost of housing is \$107 thousand, based on 1990 census data. Additionally, 9% of the households in the assessment area are below the poverty level.

In the Vineland-Millville-Bridgeton PMSA, the updated median family income is \$45,500, a low-income person has income of less than \$22,750. The cost of housing is approximately \$74,000, based on 1990 census data. Additionally, 13% of households in the assessment area are below the poverty level.

For 1998, in both the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs, SNB's market shares for home purchase loans to low-income and to moderate-income borrowers exceeds its overall market share for home purchase loans.

Home improvement loan distribution by borrower income level is good in the SNJAA, as well as in the PMSAs of Atlantic-Cape May, Vineland-Millville-Bridgeton and Philadelphia.

In the Philadelphia PMSA, the percentage of lending to low-income borrowers exceeds the percentage of low-income families in the assessment area. The percentage of lending to moderate-income families is below the percentage of moderate-income families in the assessment area.

In the Atlantic-Cape May PMSA, the percentage of lending to moderate-income borrowers is near the percentage of families that are moderate income. The percentage of lending to low-income borrowers is below the percentage of low-income families but performance is good when considering that the housing cost compared to the median family income of a low-income family, as discussed under home purchase lending above, also impacts home-improvement lending.

In the Vineland-Millville-Bridgeton PMSA, the percentage of home improvement loans to moderate-income borrowers significantly exceeds the percentage of families that are moderate-income. The percentage of lending to low-income families is below the percentage of families that are low-income. However, this performance is good when considering that the housing cost compared to the median family income of a low-income family, as discussed under home purchase lending, above also impacts home-improvement lending.

For 1998, SNB's market shares for home improvement loans to low-income and to moderate-income borrowers substantially meets the bank's overall market share for home improvement loans in the Atlantic-Cape May PMSA and exceeds the overall market share in the Vineland-Millville-Bridgeton PMSA.

Home refinance loan distribution by borrower income level is adequate in the SNJAA. In the PMSAs, the distribution of home refinance loans by borrower income level is good in Philadelphia, adequate in Atlantic-Cape May, and poor in Vineland-Millville-Bridgeton.

No refinance loans were made to low-income borrowers in the Vineland-Millville-Bridgeton PMSA, although 21% of families are defined as low-income. Also, the percentage of refinance loans made to low-income borrowers in the Atlantic-Cape May PMSA is below the percentage of families that are low-income. For both the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs, the percentage of refinance loans to moderate-income borrowers is below the percentage of families that are moderate income. In the Philadelphia PMSA, the percentage of refinance loans to both low- and moderate-income borrowers is near the percentage of families within those income categories.

Small Loans to Businesses

Refer to Table 10 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.

The borrower distribution of small loans to businesses is adequate in the SNJAA, and as follows for the individual PMSAs: Atlantic-Cape May - good; New Jersey portion of Philadelphia - adequate; and Vineland-Millville-Bridgeton - adequate.

The following analysis compares the portion of SNB's small loans that are to small businesses (businesses with revenues of \$1 million or less) to the portion of businesses that are small. Also, the bank's market share for small loans to small businesses is compared to its overall market share of small loans to businesses. Since SNB has a very small market share for small loans to businesses in the Philadelphia PMSA, a market share comparison is not meaningful and is not discussed for the Philadelphia PMSA.

The percentage of SNB's small loans made to small businesses substantially meets the percentage of businesses that are small in the Atlantic-Cape May PMSA, and below the percentage of businesses that are small in both the Philadelphia, and Vineland-Millville-Bridgeton PMSAs. Also, the bank's market share for small loans to small businesses exceeds its overall market share for small loans in the Atlantic-Cape May PMSA, and exceeds its overall market share for small loans to small businesses in the Vineland-Millville-Bridgeton PMSA.

Small Loans to Farms

SNB did not originate small loans to farms during the evaluation period.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate SNB's level of community development lending.

CD lending has a positive impact on the Lending Test conclusions for the SNJAA, and for each of the PMSAs.

During the evaluation period, SNB originated 10 CD loans totaling \$10.1 million in the SNJAA. In the individual PMSAs, the bank originated the following: Atlantic-Cape May - five loans totaling \$12.2 thousand; New Jersey portion of Philadelphia-three loans totaling \$1.1 million; and, Vineland-Millville-Bridgeton - two loans totaling \$9 million. These CD loans are responsive to the credit needs of small businesses, and the affordable housing and economic development needs of low- and moderate-income areas in the assessment area. The following are descriptions of CD loans.

SNB provided a \$9 million line of credit to fund loans to businesses under Urban Enterprise Zone Programs in Vineland and Millville. The primary goal of these programs is to provide favorable financial incentives which, when coupled with private financing, will stimulate new investment, create new tax revenue and cause the retention and creation of new jobs in the City of Vineland and Millville. Enterprise zones have been created throughout New Jersey mainly for economic growth in depressed areas. The bank's funding will assist in revitalizing and stabilizing the City of Vineland and Millville through the creation of jobs for the surrounding low- and moderate-income communities. No funds have been disbursed to date.

SNB extended \$733.5 thousand in construction financing to a nonprofit development corporation for affordable housing development within the City of Camden Empowerment and Enterprise Zone. The location of the housing is considered a prime site by the City of Camden to continue its neighborhood redevelopment efforts. The project consists of 28 mixed income single family homes, including 10 low-income, with prices ranging from \$45,000 to \$60,000. The City of Camden has a strong need for affordable housing development. SNB was the lead bank providing the construction financing for the development.

The bank provided a construction loan in the amount of \$350 thousand for a renovation project located in North Camden within the boundaries of the Camden Empowerment Zone. The project is being undertaken by a non-profit Community Redevelopment Company, and involves substantial renovation to nine homes targeted for low-income families. The renovated homes are priced from \$35,000 to

\$45,000. SNB was the lead bank in providing the construction financing.

SNB also participates in community development loan pools or consortiums. During the evaluation period, SNB financed loans totaling \$19,379 through its participation in lending consortiums in the SNJAA.

The bank also funds loans to small businesses in the City of Camden under its commitment to the Cooperative Business Assistance Corporation (CBAC) Loan Fund. These loans were reported on the bank's CRA small business loan register and evaluated during the review period as small business loans. The following are brief program descriptions.

- ***South Jersey Micro Loan Fund (SJMLF)*** This micro loan fund extends loans from \$5,000 to \$30,000 to start-up and existing businesses. SJMLF provides loans to businesses located within Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem counties. All start-up business borrowers must attend an Entrepreneurial Training Program before applying to each of the loan funds. SNB has a commitment of \$200 thousand to SJMLF of which it advanced \$4,167 during the evaluation period.
- ***Vision 2000.*** This micro loan fund targets businesses located within Atlantic City and Pleasantville. All start-up business borrowers must attend an Entrepreneurial Training Program before applying to this loan fund. SNB has a commitment of \$100 thousand, of which it advanced \$7,000 to fund two business loans during the evaluation period. The bank also approved (not yet disbursed) funding for five additional loans totaling \$21,000.
- ***Family Services Association - Ways to Work-Family Loan Program*** SNB entered into an agreement with nine other financial institutions and the Family Service Association of South Jersey to participate in a loan program which assists low-income individuals transition from welfare to work and/or retain employment. The loan pool of \$370 thousand provides financing for qualified individuals ranging from \$500 to \$3,000 to purchase cars for transportation to work or school, emergency needs, and/or child care for families residing in Atlantic, Cape-May, Salem, Cumberland, Gloucester, Camden and Burlington counties. Program applicants also receive credit and budget counseling. SNB has committed \$10,000 to the annual loan pool, and advanced \$8,212 to fund four loans during the evaluation period.

Product Innovation and Flexibility

Product innovation and flexibility has a positive impact on the Lending Test conclusions for the SNJAA, and the individual PMSAs.

SNB makes use of innovative and/or flexible home mortgage and small business lending practices throughout its assessment areas, especially to low- and moderate-

income areas and individuals. The loans extended under these programs were HMDA reportable or qualified as loans to small businesses and, therefore, considered previously in this evaluation. The following are brief descriptions of the bank's involvement in innovative/flexible loan programs.

The bank participates in the Home Ownership Opportunity Program with the City of Vineland Housing Authority. This residential mortgage program assists Housing Authority residents transition from public housing to new or rehabilitated homes within the City of Vineland acquired through tax foreclosure. The loan program is flexible, allowing for below market rates and points, reduced application fees, and flexible underwriting. Home ownership counseling is also provided. Through year-end 1999, SNB closed six loans totaling \$333.2 thousand through the Home Ownership Opportunity Program.

An additional four loans totaling \$322.0 thousand were approved pending closing. The bank is pursuing a similar loan program with the Atlantic City Housing Authority.

SNB offers a Discounted Home Improvement Loan Program for low- and moderate-income borrowers on both its fixed rate home equity loans and "low equity" loans. Loan advances range from a minimum of \$2,000 to a maximum of \$10,000. Rates on these loans are reduced one percent for the fixed rate product, and one half percent or one percent depending on the loan-to-value for the low equity product. Debt ratios are relaxed to 40% for the fixed rate product, and 38% for the low equity product. Information on the volume of loans originated under this program was not available.

SNB offers small business borrowers, in particular non-profit associations, who establish or maintain a business within a low- or moderate-income geography, a 50% reduction in the bank's published small business lending rates for loans between \$5,000 and \$250,000. Flexible terms and underwriting standards and the ability to negotiate additional rate reductions is also part of this program. Under this program, the bank has originated approximately \$356,000 in loans.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the NNJAA is not inconsistent with the bank's overall "High Satisfactory" rating. In both the Monmouth-Ocean and Trenton PMSAs, the bank's performance is consistent with the bank's overall performance, and in Middlesex and Somerset Counties, is weaker than the bank's overall performance.

Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

SNB's performance under the Investment Test is rated "High Satisfactory" due to stronger performance in the NNJAA. The bank's overall performance in the SNJAA is adequate. In the PMSAs, SNB's performance is good in the New Jersey portion of Philadelphia, and poor in both the Atlantic-Cape May and the Vineland-Millville-Bridgeton PMSAs.

We determined through community contacts and our internal research that there are opportunities for qualified investments in the bank's assessment area. The types of investments available include mortgage-backed securities, affordable housing bonds, micro loan funds, and qualified grants. None of the investments made during the evaluation period are considered innovative or complex. The bank's qualified investments primarily respond to the affordable home mortgage needs of low- and moderate-income individuals.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, SNB purchased \$1.87 million in qualified mortgage-backed securities backed by mortgage loans to low- and moderate-income individuals in the SNJAA; specifically, the New Jersey portion of the Philadelphia PMSA. None of the underlying mortgage loans are to borrowers in the Atlantic-Cape May PMSA and the Vineland-Millville-Bridgeton PMSA.

The bank recently invested \$20 thousand in a community development financial institution (CDFI), The Reinvestment Fund. SNB has a binding agreement to invest \$20,000 over four years for a total of \$80,000. This CDFI engages in numerous community development activities, including affordable housing and small businesses lending programs. The bank's investment funds are targeted for projects within its SNJAA.

SNB holds an additional \$4.34 million in New Jersey Finance Agency affordable housing development bonds, and \$67.6 thousand in qualified mortgage-backed securities purchased prior to the evaluation period. The housing bonds fund affordable housing development throughout the State of New Jersey, including the SNJAA. The mortgage-backed securities are backed by loans to low- and moderate-income borrowers in the SNJAA; specifically, the Atlantic-Cape May PMSA.

SNB provided operating grants totaling \$20 thousand to six community development organizations within the SNJAA. Most of the organizations operate small business loan pools, including loan pools targeting low- and moderate-income

areas in Atlantic City and the City of Camden. The bank participates in all of the loan pools it supports with operating grants (refer to the CD loans discussion for additional information).

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Investment Test in the NNJAA is stronger than the bank's performance in the SNJAA. Performance is excellent in the Monmouth-Ocean PMSA, and good in the Trenton PMSA and counties of Middlesex and Somerset.

Refer to Table 12 in Appendix C for the facts and data that support these conclusions.

The higher level of investments in the NNJAA positively impacts the overall conclusion for investments. Approximately \$6.37 million in mortgage-backed securities purchased during the evaluation period are backed by loans to low- and moderate-income borrowers in the NNJAA.

The bank also renewed a \$25 thousand investment in The Community Loan Fund of New Jersey (CLFNJ) during the evaluation period. CLFNJ is a statewide community development financial institution providing loans and technical assistance to facilitate affordable housing, small business and economic development, primarily in central and northern New Jersey. The bank's investment provides permanent loan capital for the CLFNJ's lending programs.

SNB holds an additional \$1.42 million in mortgage-backed securities purchased prior to the evaluation period in the NNJAA.

SNB provided operating grants totaling \$4.75 thousand to three community development organizations within the NNJAA. All of the organizations operate small business loan funds, including loan funds targeting low- and moderate-income areas in the City of Trenton.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding." Based on a full-scope review, SNB's overall performance in the SNJAA is excellent due to increases in branches in moderate-income geographies, and a high level of community development services. Performance within the SNJAA PMSAs is as follows: excellent in both the Vineland-Millville-Bridgeton, and the Atlantic-Cape May PMSAs. Good performance in the New Jersey portion of the Philadelphia PMSA.

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of SNB's branch delivery system and branch openings and closings.

SNB's service delivery systems are readily accessible to individuals and geographies of different income levels in its assessment area. Accessibility is excellent in the Vineland-Millville-Bridgeton PMSA, and in the Atlantic-Cape May PMSA. Accessible is good in the Philadelphia PMSA. Additionally, SNB has tailored its services to meet the needs in low-and moderate-income geographies.

In the Vineland-Millville-Bridgeton PMSA, the percentage of SNB's FSCs within low-income geographies significantly exceeds the percentage of the population living in such geographies. Also within this PMSA, the percentage of FSCs within moderate-income geographies is near the percentage of the population residing in such geographies.

In the Atlantic-Cape May PMSA, no FSCs are located in low-income geographies, only 3.24% of the population resides in these geographies. The percentage of FSCs in moderate-income geographies exceeds the percentage of the population living in those geographies.

In the NJ portion of the Philadelphia PMSA, no FSCs are located in low-income geographies, only 5.25% of the population resides in these geographies. The percentage of FSCs in moderate-income geographies is near the percentage of the population in this geography.

FSC openings and closings have had a positive affect on the accessibility of delivery systems primarily within the Atlantic-Cape May and Vineland-Millville-Bridgeton PMSAs. In total, there was a net gain of three FSCs within moderate-income geographies in both PMSAs. Branch opening and closing activity did not affect the accessibility of delivery systems within low-income geographies.

SNB operates 23 ATMs in the SNJAA. Within the individual PMSAs, ATMs are distributed as follows: Vineland-Millville-Bridgeton - 4; Atlantic-Cape May - 12; and, the New Jersey portion of Philadelphia - 7.

The bank conducted a geographic analysis of their FSC and ATM locations in the SNJAA. This analysis further supports the accessibility of SNB's service delivery systems. In the SNJAA, the bank determined that 21 (27%) low- and moderate-income census tracts are located within a one-mile radius of all FSCs. Similarly, 16 (21%) low- and moderate-income census tracts are within a one-mile radius of all ATMs. When the analysis is expanded, 52 (67%) and 66 (85%) low- and moderate-income census tracts are within three and five miles, respectively, of all

FSCs. Thirty-six (46%) and 58 (74%) low- and moderate-income census tracts are within three and five miles, respectively, of all ATMs.

SNB's hours and services offered throughout the SNJAA are good. Hours and services do not materially vary in the assessment area, including the availability of loan officers for all loan products, are comparable among locations regardless of the income level of the geography. Banking hours and services provided Monday through Friday are supplemented by Saturday hours at the majority of FSCs located in the assessment area. Saturday hours are available at one FSC located in a low-income census-tract in the Vineland-Millville-Bridgeton PMSA, and five FSCs located in moderate-income census tracts in Atlantic-Cape May (3 FSCs), Vineland-Millville-Bridgeton (1 FSC), and New Jersey portion of Philadelphia (1 FSC). Additionally, there were no material changes made to FSC hours during this evaluation period.

SNB offers a no minimum balance checking account to senior citizens over fifty-five years of age, including those who are low- and moderate-income, which allows these individuals to maintain accounts without fees. There are no other maintenance or check writing fees associated with this particular account.

SNB's "Everything Under the Sun Business Program" is a cash management program aggressively marketed to businesses in low- and moderate-income geographies. The bank's geographic analysis showed good penetration with 67 of 331 business accounts within this program (or 20.24%) to customers in low- and moderate-income geographies.

The bank offers an Employee Benefit Banking Program whereby employees of participating businesses are offered free checking account relationships and loan discounts of .25% on interest rates. An analysis performed by SNB during May of this year showed that nine of thirty-four businesses (or 26%) participating in the program are located in low- and moderate-income geographies in the SNJAA.

Community Development Services

SNB provides an excellent level of community development services within its SNJAA, and each of the PMSAs. Bank employees are actively engaged in over 25 organizations/programs providing technical and financial assistance that benefit low- and moderate-income individuals, promote homeownership and affordable housing, and aid small businesses. Community development services are very responsive to the identified needs for credit counseling, entrepreneurial training, and increased awareness regarding loan programs for start-up small businesses.

The following are examples of community development services provided by SNB employees in the SNJAA.

Vineland-Millville-Bridgeton PMSA

- A member of bank management acts as a Director while also serving on various committees for the Vineland Housing Authority, Vineland Urban Enterprise Zone, and Cumberland County Federal Empowerment Zone. These organizations serve many different purposes, but bank involvement centers on providing home ownership counseling to low- and moderate-income individuals.
- Bank management participated in multiple homeownership seminars held by S. Kelly Real Estate Company. Separate seminars were held in the Bridgeton, Millville, and Vineland areas. These seminars were open to the public, but specific programs were established solely for the benefit of low- and moderate-income individuals.
- A bank employee participated in an Entrepreneurial Training Institute (ETI) statewide program offered at Cumberland County College. In turn, this individual then used the training received by ETI at various seminars to aid prospective entrepreneurs with their respective small business aspirations.
- A bank employee participates in the Main Street Program for the City of Bridgeton administered by the Bridgeton Chamber of Commerce. The program promotes economic development through small business development and the creation of employment opportunities for low- and moderate-income individuals in the City of Bridgeton, a designated Urban Enterprise Zone.
- A bank employee coordinated with staff members of the Bridgeton Library in an effort to educate low-income migrant farm workers on various financial services offered by SNB.
- Two bank employees participate in “Partners in Education” and “Adopt a School” programs at two local schools which encompass low- and moderate-income geographies. Their efforts help explain available financial services while generally fostering education primarily among low- and moderate-income students attending these schools.
- SNB services the Urban Enterprise Zone (UEZ) and empowerment zone loan programs on behalf of Vineland, Millville and Pleasantville for a total of \$26 million. In December 1999, the City of Bridgeton engaged the bank to manage Bridgeton’s UEZ small business loan portfolio.

New Jersey portion of Philadelphia PMSA

- A bank employee serves on the Board of Directors and Loan Committee of the Cooperative Business Assistance Corporation in Camden, New Jersey. This organization is a Small Business Administration Micro Lender which primarily provides financing for small businesses within the Camden, New Jersey area.
- A bank employee taught a two-hour class on behalf of ETI at Camden County

College for students interested in eventually starting their own businesses.

- A bank employee provided financial expertise through participation in multiple small businesses and minority entrepreneurial seminars held in conjunction with Rutgers University's Small Business Development Center.
- A bank employee taught "How to Obtain a Small Business Loan" seminar on behalf of the Rutgers School of Small Business at the Salem County Community College.
- SNB sponsored a non-profit Community Redevelopment Company's affordable housing application for subsidy funding to the Federal Home Loan Bank of New York (FHLBNY). The FHLBNY awarded the project, located in North Camden, \$72,000 under their affordable housing program, which SNB administers.

Vineland-Millville-Bridgeton, and New Jersey portion of Philadelphia PMSA

- Three members of bank management act as members of Workforce New Jersey in Cumberland and Camden counties. The organization assists out of work low-income individuals receiving housing subsidies, welfare, etc. to re-enter the workforce.
- A bank employee serves on various committees for both the Salem County and Bridgeton area Chambers of Commerce. In particular, this individual works with the Salem Main Street Program. The program promotes economic development through small business development and the creation of employment opportunities for low- and moderate-income individuals.
- Bank employees act in various capacities in conjunction with the Small Business Association (SBA). Specifically, employees spoke at three separate seminars regarding SBA lending programs. The Vineland Chamber of Commerce, Rutgers Small Business Development Center, and the SBA held the seminars itself. Additionally, a SNB employee provides ongoing guidance to the public by volunteering time at the SBA Information Center.

Vineland-Millville-Bridgeton, NJ portion of Philadelphia, and Atlantic-Cape May PMSAs

- Bank employees assist in the administration of several loan funds through committee memberships. These funds include Vision 2000, South Jersey Micro Loan Fund, Camden Business Acceptance Corp. and Family Services Association. Please refer to the Lending Test portion of this evaluation for further details on these programs.
- Three bank employees serve as Board members and in various other capacities on behalf of Consumer Credit Counseling Services. This organization provides

guidance regarding proper money management and budgeting primarily to low- and moderate-income individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on our limited-scope reviews, the bank's performance under the Service Test in the Monmouth-Ocean and Trenton PMSAs, and Middlesex and Somerset Counties is not inconsistent with the bank's overall performance under the Service Test.

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 Δ_{Full-Scope}) and those that received a less comprehensive review (designated by the term Δ_{Limited-Scope}).

Time Period Reviewed		Lending Test: April 1, 1998 to December 31, 1999 Investment Test: June 23, 1998 to May 1, 2000 Service Test: June 23, 1998 to May 1, 2000
Financial Institution		Products Reviewed
Sun National Bank (SNB) Vineland, New Jersey		Home Mortgage, small loans to businesses, and community development loans.
Affiliate(s)	Affiliate Relationship	Products Reviewed
Med-Vine, Inc.	SNB Subsidiary	Qualified Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Southern New Jersey (SNJAA): Vineland-Millville-Bridgeton PMSA #8760 Atlantic-Cape May PMSA #0560 Philadelphia, PA- NJ PMSA #6160	Full-scope Full-scope Full-scope	
Northern New Jersey (NNJAA): Monmouth-Ocean PMSA #5190 Trenton PMSA #8480 Middlesex County Somerset County	Limited-scope Limited-scope Limited-scope Limited-scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

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Vineland-Millville-Bridgeton PMSA

Demographic Information for Full-Scope Area: Vineland-Millville-Bridgeton PMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	3.45	20.69	62.07	13.79	0.00
Population by Geography	138,053	.40	17.22	65.83	16.55	0.00
Owner-Occupied Housing by Geography	32,299	.07	10.48	71.46	17.99	0.00
Businesses by Geography	4,472	6.04	18.38	58.59	16.99	0.00
Farms by Geography	211	.47	4.27	80.09	15.17	0.00
Family Distribution by Income Level	35,383	21.12	17.29	22.82	38.77	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,591	.69	25.38	61.95	11.98	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$34,571 = \$45,500 = 13.04%	Median Housing Value Unemployment Rate				= \$73,639 = 4.59%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The Vineland-Millville-Bridgeton PMSA (VMB-PMSA) consists of Cumberland County in its entirety. This area is located in the southwest region of New Jersey and is comprised of 29 census tracts. The majority of census tracts are located in Vineland (33%), Millville (17%) and Bridgeton (20%), as these cities present the principal centers of population (approx. 75%) and commerce in Cumberland County. While Bridgeton is more developed, Vineland and Millville have rural areas and open spaces as well as developed core areas. The VMB-PMSA is comprised of one low-income (3%), six moderate-income (21%), 18 middle-income (62%) and four upper-income census tracts. The one low-income, and two of the six moderate-income census tracts are located in Vineland. The remaining moderate-income tracts are located in Bridgeton. The low- and moderate-income census tracts are located in the central portions of these cities where housing is older and more affordable.

The VMB-PMSA has a total population of approximately 138,000, with total families and households of 35,383 and 47,259, respectively. The updated median family income is \$45,500. There are 50,294 housing units within the VMB-PMSA, of which 64% are owner occupied, 29% rental occupied and 6% vacant. The median housing value for the VMB-PMSA is \$73,639.

Employment within the VMB-PMSA is centered within the glass, agriculture, textile and retail service industries. Unemployment for this area is 4.59% on a

consolidated basis, however, unemployment in Vineland approximates 9%, which ranks among the highest in the state of New Jersey. The area economy continues to benefit from commercial development throughout Cumberland County. In addition the VMB-PMSA is designated an Empowerment Zone. It is anticipated that approximately \$250 million of federal funding will be directed to this area for economic development.

The needs for the VMB-PMSA are primarily housing related, including single family housing rehabilitation, home buyer assistance, rental assistance, rental rehabilitation, affordable housing construction in low- and moderate-income areas. There is also the need for economic development and assistance to support small business development, infrastructure improvement, lead paint abatement, and job creation for low-income individuals.

Atlantic-Cape May PMSA

Demographic Information for Full-Scope Area: Atlantic-Cape May PMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	94	4.26	19.15	56.38	17.02	3.19
Population by Geography	319,416	3.24	16.36	63.56	16.83	0.01
Owner-Occupied Housing by Geography	82,274	0.75	13.64	65.06	20.55	0.00
Businesses by Geography	15,779	1.91	18.03	62.25	17.55	.25
Farms by Geography	432	0.23	9.49	72.69	17.59	0.00
Family Distribution by Income Level	83,111	18.10	19.24	24.17	38.48	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	31,040	5.07	23.01	61.63	10.29	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$39,034 = \$48,800 = 9.41%	Median Housing Value Unemployment Rate				= \$107,025 = 3.93%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The Atlantic/Cape May PMSA (A/CM-PMSA) consists of the named counties in their entirety. This area contains 94 census tracts of which 71 (76%) are located in Atlantic County and the remaining 23 (24%) in Cape May County. The A/CM PMSA is comprised of 4 low-income (4%), 18 moderate-income (19%), 53 middle-income (56%), and 6 upper-income (17%) census tracts. The majority (64%) of the PMSA's low- and moderate-income tracts are centered in Atlantic City, which is the largest city in Atlantic County. Atlantic City is an older urban resort that went through a period of decline. Its revitalization has coincided with the advent of casino gambling. The location of the A/CM-PMSA to the Atlantic Ocean coastline has resulted in the economy of this area relying heavily on the tourism and gaming industries.

Employment within the A/CM-PMSA is centered in the gaming industry and retail businesses that support tourism (e.g., motels, restaurants, piers, and retail stores). In addition, the area features pockets of commercial businesses, light industry, and in Cape May, fishing fleet operations. Unemployment for the A/CM-PMSA is 3.93%, however it increases to 4.72% for Atlantic City despite the presence of the casinos who have become one of the major employers in the area. The median family income for the A/CM-PMSA is \$39,034 while in Atlantic City it is \$27,804. Approximately 28% of the low- and moderate-income families reside in the A/CM-PMSA low- and moderate-income census tracts which are centered in Atlantic City.

The A/CM-PMSA has a total population of approximately 319,000, with total families and households of 83,111 and 123,442, respectively. There are 192,414 housing units within the A/CM-PMSA of which 64% are occupied, and 36% vacant. These statistics reflect the overall existence of vacation homes and rental properties associated with the tourism activity within this area. However, when considering the housing stock in Atlantic City, rental occupied units comprise 50% of total housing units, the majority of which are located in the low- and moderate-income census tracts of the city, supporting the need for affordable housing development. The median housing for the A/CM-PMSA is \$107,025. For Atlantic City, the median housing value declines to \$72,243.

The needs for the A/CM-PMSA are primarily housing related, including single family housing rehabilitation, home buyer assistance, rental assistance, rental rehabilitation, and affordable housing construction in low- and moderate-income areas. There is also the need for economic development and assistance to support small business development, infrastructure improvement, lead paint abatement, and job creation for low-income individuals.

Philadelphia, PA-NJ PMSA

Demographic Information for Full-Scope Area: Philadelphia, PA-NJ PMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	313	5.11	10.22	57.19	25.24	2.24
Population by Geography	1,193,266	5.25	9.46	56.04	29.19	0.05
Owner-Occupied Housing by Geography	306,584	2.45	6.63	58.40	32.52	0.00
Businesses by Geography	45,334	3.09	7.32	52.91	35.96	0.72
Farms by Geography	1,323	1.44	3.48	63.57	31.52	0.00
Family Distribution by Income Level	313,981	16.43	17.17	25.38	41.02	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	105,498	10.99	14.85	58.54	15.63	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$41,908 = \$55,600 = 10.29%	Median Housing Value Unemployment Rate				= \$99,212 = 3.72

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The bank's market consists of the New Jersey portion of the Philadelphia, PA-NJ PMSA including Burlington, Camden, Gloucester and Salem counties. This area consists of 313 census tracts configured as 16 low-income (5%), 32 moderate-income (10%), 179 middle-income (57%), and 79 upper-income (25%). The City of Camden contains the majority of the area's low-income tracts with 13 (81%), and almost half (15 or 47%) of the moderate-income tracts within Camden County. Other counties containing low- or moderate-income census tracts are: Burlington - 2 low and 9 moderate, Gloucester - 3 moderate; and Salem - 1 low and 5 moderate.

The landscape of the four county assessment areas ranges from urban concentrations and suburban bedroom communities to rural/agricultural locations. The local economy is diverse as employment opportunities can be found in the various manufacturing, agriculture, retail, healthcare, and professional industries based within this area. Unemployment for the assessment area is 3.72%. Due to the decline of its economy, the City of Camden was named an Empowerment Zone. The City of Camden also participates in various federal, state, and private programs designed to support housing and community development.

The assessment area has a total population of 1,193,266 with 313,981 families and 417,809 households. Of the population residing in low-income census tracts, 87% are within the City of Camden. The median family income of the assessment

area is \$41,908 (updated median \$55,600). This level declines to \$18,915 for the City of Camden. Approximately 16% of the families in the assessment area are low-income, and 17% percent moderate-income.

There are 441,189 housing units within the assessment area of which 69% are owner occupied, 26% rental occupied, and 5% vacant. In the City of Camden, there are 30,138 housing units of which 43% are owner occupied, 46% rental occupied and 12% vacant. The median value of housing for the assessment area is \$99,212, and in the City of Camden it is \$29,783.

The needs for the assessment area are primarily housing related, community development, infrastructure improvement and job creation. These needs are especially important to the City of Camden where prolonged economic depression has made it one of the poorest areas in the United States. Specific needs include, but are not limited to: single family housing rehabilitation, home buyer assistance, rental assistance, rental rehabilitation, and affordable housing construction. There is also the need for economic development and assistance to support small business development, infrastructure improvement, lead paint abatement, and job creation for low-income individuals.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the Δ 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.
- 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 rank and 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 Refinance Loans** - See Table 2.
- Table 5. 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 rank and market share information based on the most recent aggregate market data available.

- Table 6. 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 rank and market share information based on the most recent aggregate market data available.
- Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 12. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 14. 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 the population 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 MSA/assessment area.

Table 1. Lending Volume

Evaluation Period 04/01/1998 TO 12/31/1999

a	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Atlantic-Cape M	0.00	332	23,356	307	72,106	0	0	05	12	63944	95,474	
Philadelphia, PA	0.00	198	9,623	151	29,623	0	0	0	0	349358	40,382	
Vineland-Milly	0.00	113	4,016	58	7,828	0	0	0	9,003	171	20,847	
Middlesex and So	0.00	10	545	12	4,714	0	0	0	0	22	5,259	
Monmouth-Occ	0.00	172	8,479	146	33,862	0	0	0	0	318	42,341	
Trent	0.00	24	724	33	5,197	0	0	0	6,308	5760	12,229	

* Deposit Data as of June 30, 1999.

Table 2. Geographic Distribution of Home Purchase Loans

Evaluation Period 04/01/1998 TO 12/31/1999														
Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp
PMSA	1	1	14	16	65	72	21	11	34	0.8	1.8	1.0	0.8	0.6
J PMSA	2	0	7	1	58	77	33	22	92	0.2	0.0	0.0	0.3	0.1
ridgeton	0	6	10	9	71	70	18	15	19	1.6	25.0	1.0	1.6	1.4
ersert	1	0	8	0	59	0	33	100	0	0.0	0.0	0.0	0.0	0.0
PMSA	1	0	23	49	46	44	30	6	109	0.1	0.0	0.4	0.1	0.1
	3	0	13	0	50	83	34	17	157	0.1	0.0	0.0	0.1	0.1

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 ** Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Table 3. Geographic Distribution of Home Improvement Loans

Evaluation Period 04/01/1998 TO 12/31/1999															
Portion: HOME IMPROVEMENT															
Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					In
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	
PMSA	1	2	14	8	65	71	21	18	9	2.7	0.0	1.3	3.0	2.6	
J PMSA	2	0	7	2	58	72	33	26	30	0.4	0.0	0.2	0.6	0.3	
ridgeton	0	0	10	8	71	65	18	28	12	3.5	0.0	2.3	3.5	4.6	
ersert	1	33	8	0	59	67	33	0	57	0.2	0.0	0.0	0.2	0.2	
PMSA	1	0	23	38	46	58	30	4	20	0.6	0.0	0.9	0.7	0.1	
	3	0	13	38	50	46	34	15	18	0.6	0.0	1.8	0.5	0.3	

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Evaluation Period 04/01/1998 TO 12/31/1999										Market Share by Geography				
Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Overall	Low	Mod	Mid	Upp
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans						
PMSA	1	0	14	8	65	74	21	17	46	0.5	0.0	0.3	0.6	0.5
J PMSA	2	2	7	0	58	63	33	35	117	0.1	0.0	0.0	0.2	0.1
ridgeton	0	5	10	5	71	70	18	20	42	0.6	8.3	0.4	0.5	0.7
ersert	1	0	8	0	59	0	33	100	384	0.0	0.0	0.0	0.0	0.0
PMSA	1	0	23	55	46	42	30	3	200	0.0	0.0	0.2	0.0	0.0
	3	20	13	20	50	40	34	20	156	0.1	1.2	0.0	0.1	0.0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 ** Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Table 5. Geographic Distribution of Small Loans to Businesses

Rating: SMALL BUSINESS

Evaluation Period 04/01/1998 TO 12/31/1999

Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp
PMSA	2	1	18	10	62	64	18	25	5	5.3	0.0	3.9	4.5	6.5
U PMSA	3	0	7	7	53	43	36	50	17	1.0	0.0	1.3	1.0	0.8
Wridgeton	6	5	18	33	59	41	17	21	9	3.2	5.3	6.9	1.7	5.0
Werset	4	8	10	0	52	33	33	58	39	0.1	0.5	0.0	0.0	0.1
PMSA	2	1	17	30	48	50	34	19	18	0.8	1.3	1.1	0.8	0.5
	8	12	11	15	46	33	35	39	21	0.5	0.0	1.4	0.4	0.3

* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

Table 6. Geographic Distribution of Small Loans to Farms

Evaluation Period 04/01/1998 TO 12/31/1999														
Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp
PMSA	0	0	9	0	73	0	18	0	62	0.0	0.0	0.0	0.0	0.0
J PMSA	1	0	3	0	64	0	32	0	84	0.0	0.0	0.0	0.0	0.0
ridgeton	0	0	4	0	80	0	15	0	21	0.0	0.0	0.0	0.0	0.0
ersert	1	0	7	0	49	0	43	0	59	0.0	0.0	0.0	0.0	0.0
PMSA	0	0	11	0	50	0	39	0	85	0.0	0.0	0.0	0.0	0.0
	1	0	5	0	47	0	47	0	34	0.0	0.0	0.0	0.0	0.0

* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.
 ** Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

Table 7. Borrower Distribution of Home Purchase Loans

Evaluation Period 04/01/1998 TO 12/31/1999														
Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*				
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp
PMSA	18	12	19	27	24	21	38	39	34	0.8	3.1	1.6	1.1	0.7
J PMSA	16	18	17	41	25	23	41	17	92	0.2	0.4	0.4	0.1	0.1
ridgeton	21	17	17	38	23	25	39	19	19	1.6	3.8	2.6	1.0	1.8
ersert	14	33	19	50	27	17	40	0	0	0.0	0.0	0.0	0.0	0.0
PMSA	18	24	19	43	24	21	38	13	109	0.1	0.8	0.4	0.1	0.1
	19	67	18	0	24	0	39	33	157	0.1	0.2	0.0	0.0	0.1

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 8. Borrower Distribution of Home Improvement Loans

Evaluation Period 04/01/1998 TO 12/31/1999															
Location: HOME IMPROVEMENT															
Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					In
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	
PMSA	18	7	19	15	24	32	38	43	9	2.7	2.4	2.0	2.4	3.4	
WJ PMSA	16	18	17	11	25	25	41	36	30	0.4	1.3	0.2	0.2	0.3	
Wridgeton	21	15	17	30	23	33	39	23	12	3.5	4.3	4.2	4.6	2.5	
Wersert	14	0	19	0	27	67	40	33	57	0.2	0.0	0.0	0.2	0.3	
PMSA	18	8	19	29	24	34	38	26	20	0.6	0.6	0.5	1.0	0.3	
	19	31	18	23	24	23	39	23	18	0.6	1.1	0.4	1.0	0.2	

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

ation: HOME MORTGAGE REFINANCE

Evaluation Period 04/01/1998 TO 12/31/1999

Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*				
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp
PMSA	18	5	19	14	24	19	38	58	46	0.5	0.8	0.7	0.5	0.7
J PMSA	16	14	17	16	25	24	41	43	117	0.1	0.3	0.1	0.1	0.2
ridgeton	21	0	17	10	23	40	39	45	42	0.6	0.0	0.3	0.7	0.9
ershet	14	0	19	0	27	0	40	100	384	0.0	0.0	0.0	0.0	0.0
PMSA	18	9	19	24	24	33	38	27	200	0.0	0.2	0.1	0.0	0.0
	19	60	18	20	24	0	39	20	156	0.1	0.2	0.0	0.0	0.1

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 10. Borrower Distribution of Small Loans to Businesses

Region: SMALL BUSINESS

Evaluation Period 04/01/1998 TO 12/31/1999

Area	Businesses With Revenues Of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Bu
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less	#
PMSA	74	70	56	42	28	30	5.3	6.9	215
J	72	10059	49	1946	2329	1425	1.0	1.5	91
	72	10055	59	64	21	16	3.2	3.9	32
ersert	72	10066	50	1	14	72	0.1	0.1	10
PMSA	77	10063	53	38	33	29	0.8	1.1	94
	69	10070	46	748	36	16	0.5	0.8	23

* The market consists of all other Small Business reporters in Bank's assessment area and is based on 1998 Aggregate Small Business Data only.

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

*** Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 13% of small loans to businesses reported by the Bank.

Table 11. Borrower Distribution of Small Loans to Farms

Assessment Area: SMALL FARM									
Evaluation Period 04/01/1998 TO 12/31/1999									
Area	Businesses With Revenues of \$ 1million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small F
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#
PMSA	95	0	75	0	0	0	0.0	0.0	0
J	94	0	94	0	0	0	0.0	0.0	0
	91	0	100	0	0	0	0.0	0.0	0
ersert	94	0	50	0	0	0	0.0	0.0	0
PMSA	96	0	25	0	0	0	0.0	0.0	0
	94	0	50	0	0	0	0.0	0.0	0

* The market consists of all other Small Farm reporters in Bank's assessment area and is based on 1998 Aggregate Small Business Data only.

** As a Percentage of Farms with known revenues.

*** As a percentage of loans with borrower income information available.

Table 12. Qualified Investments

COMMITMENTS									
Evaluation Period 06/23/1998 TO 5/1/2000									
Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Com	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	
PMSA	0	68	4	7	05	75	0.0053	0	
J PMSA	0	2,171	0	1,897	021	4,068	0.004	0	
ridgeton	0	0	04	04	04	4	0.0028	0	
ersset	03	792	0	1,311	10	2,103	0.00	0	
PMSA	0	2,669	021	4,296	025	6,965	0.0003	0	
	2 0	201	8 0	789	010	990	0.00	0	

* 'Prior Period Investments' means investments made in a previous evaluation period that remains outstanding as of the examination date.
 ** 'Unfunded Commitments' means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

Table13. Distribution of Branch System

F BRANCH DELIVERY SYSTEM																	
Evaluation Period 04/01/1998 TO 12/31/1999																	
Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings				% of the Population with E			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	M	
PMSA	0.00	18	28.57	0.00	16.67	55.55	27.78	03	8	0.00	+2	+3	0	3.24	16.36	6	
U PMSA	0.00	16	25.40	0.00	0.00	6.25	81.25	12.50	2	9	0	0	+5	0.00+2	5.25	9.46	5
ridgeton	0.00	6	9.52	16.67	16.67	50.00	16.66	03	6	0	+1	+2	0	0.40	17.22	6	
ersert	0.00	2	3.17	0.00	0.00	50.00	50.00	0	0	0.00	0	+1	0	2.13	12.71	5	
PMSA	0.00	14	22.22	0.00	0.00	78.57	0.00	0	0	0	+2	+5	0	2.14	21.19	4	
	0.00	7	11.11	14.29	14.29	42.86	28.56	0	3	0	0	+1	+2	6.87	15.87	4	

* The percentage of the population in the MSA/AA that resides in these geographies.

