

LARGE BANK

Comptroller of the Currency
Administrator of National Banks

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Public Disclosure

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Community Reinvestment Act Performance Evaluation

Yardville National Bank
Charter Number: 12606

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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 **Yardville National Bank** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **August 21, 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 **Yardville National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Yardville National bank 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:

- ▶ YNB's lending activity is good, in the New Jersey AA.
- ▶ A high majority of YNB's loans were originated in the New Jersey AA.
- ▶ Geographic distribution of loans is good, in the New Jersey AA.
- ▶ Home mortgage lending to borrowers of different income levels is excellent, in the New Jersey AA.
- ▶ Distribution of small loans to businesses in the New Jersey and Pennsylvania AAs is good.
- ▶ YNB has made a good level of community development loans that had a positive impact on the bank's lending test rating, in the New Jersey AA.
- ▶ YNB has made an adequate level of qualified investments in the New Jersey and Pennsylvania AAs.
- ▶ YNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the New Jersey and Pennsylvania AAs.
- ▶ YNB has provided an adequate level of community development services in the New Jersey AA.

Description of Institution

Yardville National Bank (YNB), headquartered in Hamilton, New Jersey, is the major subsidiary of Yardville National Bancorp. The bancorp is a publicly traded bank holding company with assets of \$1.3 billion as of June 30, 2000. YNB is now an interstate bank, with twelve branches in Mercer County, New Jersey and one branch in Bucks County, Pennsylvania. The Pennsylvania branch opened in April 1999 in Newtown Township. Three branches were opened in Mercer County since the prior evaluation. YNB was rated "satisfactory" at the prior CRA examination dated August 24, 1998. There are no financial or legal obstacles impacting YNB's ability to help meet its community credit needs.

YNB continues to exhibit rapid growth. As of June 30, 2000, total bank assets of \$1.3 billion increased 34% from the same prior year period. Total loans were \$725 million, an increase of 31% from the same prior year period, total deposits were \$865 million, and Tier 1 capital was \$101 million.

Yardville Capital Trust, a holding company subsidiary, was formed in 1997 as a vehicle for raising capital. Subsidiaries of the bank include Yardville National Investment Corporation (YNIC), which holds investment securities; YNB Real Estate Corporation, which holds the bank branches' real estate; YNB Capital Development Inc., which originates loans; and YNB Financial, Inc., which sells non-insured deposit products. The bank also has three subsidiaries that hold other real estate owned properties. The bank requested the activities of YNIC be considered in this evaluation. None of the subsidiaries impact the bank's ability to meet the CRA needs of its AAs.

With consolidation in its market area, YNB has established its niche as a business community bank focusing on commercial lending. The bank also continues to serve the general consumer market. The loan portfolio of the bank (in dollars) is 39% commercial real estate, 22% commercial loans, 18% residential real estate, 15% other real estate, including construction and multifamily, 4% consumer loans, and 2% other loans. Between December 31, 1999 and June 30, 2000, commercial loan growth was 20%. During this same timeframe, commercial loans, commercial real estate, and real estate construction loans accounted for 75% of the total loan growth.

Competition continues to be provided from several larger regional institutions as well as local institutions and non-bank financial intermediaries, including several mortgage lenders. Primary competitors include First Union National Bank, Summit Bank, Sovereign Bank, and PNC Bank.

Community credit needs and opportunities are discussed in the respective Market

Profiles in Appendix C.

Scope of the Evaluation

Evaluation Period/Products Evaluated

As a result of the bank's commencement of operations in Pennsylvania in April 1999, the evaluation period for the two AAs differ. In both AAs for the Lending Test, YNB's origination of home mortgage loans, small loans to businesses, motor vehicle loans and CD loans were evaluated. The motor vehicle loans were evaluated at the request of the bank. YNB's origination of small loans to farms was not evaluated. Agricultural lending is not a primary business line of the bank.

Trenton MSA (NJ)

With the exception of CD loans, the evaluation period for the Lending Test is July 1, 1998 through June 30, 2000. For CD loans, the Investment Test and the Service Test, the evaluation period is August 25 1998 to August 21, 2000.

Newtown (PA)

With the exception of CD loans, the evaluation period for the Lending Test is April 1, 1999 through June 30, 2000. For CD loans, the Investment Test and the Service Test, the evaluation period is April 1, 1999 through August 21, 2000.

Data Integrity

During June 2000, OCC examiners verified the accuracy of the lending registers that the bank is required to file annually with regulators. These registers contain loan data for home mortgage and small business. We found several errors in the small business data and required the bank to refile the data for 1999. As part of this evaluation, we sampled the refiled data and found it to be accurate. Additionally, the bank accurately maintained the necessary data for motor vehicle loans originated during the evaluation period. The data used in this analysis is reliable.

Selection of Areas for Full-Scope Review

We performed full scope reviews of the Trenton MSA in New Jersey and the 11 census tracts comprising the contiguous townships of Newtown, Upper Makefield, and Lower Makefield, and Yardley (collectively referred to as "Newtown") in Pennsylvania. The Trenton MSA accounts for nearly all of the bank's loans and deposits.

Ratings

The bank's overall rating is a blend of the state ratings. The overall bank rating was primarily based on the bank's performance in the state of New Jersey since the substantial majority of the bank's lending activities, deposits, and branches were in this AA. Also, YNB did not have a physical presence in Pennsylvania until April 1999. The performance in the state of Pennsylvania had minimal impact in arriving at the overall bank rating because of the bank's recent entry into the Pennsylvania market and the bank's presence here is insignificant relative to its overall operations. We assigned an overall bank rating, a state of New Jersey rating, and a state of Pennsylvania rating. The bank's performance in the full-scope areas is individually discussed later in this evaluation.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State Rating for details regarding how the areas were weighted in arriving at the overall state rating.

When determining conclusions for the Lending Test in each AA, small loans to businesses were weighted more heavily than home mortgage products. The weighting is reflective of YNB's strategic focus of being a commercial lender.

Fair Lending Review

An analysis of 1998 HMDA, and Small Business lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. The analysis of this data revealed no basis for the OCC to conduct a comprehensive fair lending examination in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in August 1998.

State Rating

CRA Rating for New Jersey:	<u>Satisfactory</u>
The Lending Test is rated:	<u>High Satisfactory</u>
The Investment Test is rated:	<u>Low Satisfactory</u>
The Service Test is rated:	<u>Low Satisfactory</u>

- ▶ The major factors that support this rating include:
 - ▶ Lending activity is good and responsive to credit needs.
 - ▶ Geographic distribution of loans is good.
 - ▶ Home mortgage lending to borrowers of different income levels is excellent.
 - ▶ The distribution of small loans to businesses is good.
 - ▶ YNB has made a good level of community development loans that had positive impact on the bank's lending test rating.
 - ▶ YNB has made an adequate level of qualified investments.
 - ▶ YNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA.
 - ▶ YNB has provided an adequate level of community development services.

Description of Institution's Operations in New Jersey

YNB operates 12 (92%) branches and 14 (92%) full service ATMs within the single AA in the state. As of June 30, 1999, the bank had total deposits in the state approximating \$623 million, accounting for over 99% of total bank deposits. Within New Jersey, YNB ranked 30th (0.44%) in deposit share. Major competitors in New Jersey are #1-Summit Bank, 380 branches/15% of deposits, #2- First Union National Bank, 398 branches/12% of deposits, and #3-PNC Bank, 268 branches/8% of deposits. There is strong competition for deposits, and loans, in New Jersey.

YNB's AA evaluated as part of the state rating is comprised of the Trenton MSA and includes 63 census tracts and 326,000 persons. The income level of the tracts are as follows: 11% low-income, 19% moderate-income, 43% middle-income, 24% upper-income, and 3% is unclassified. State correctional facilities are located in each of the unclassified tracts. All of the low-income tracts and the substantial majority of the moderate-income tracts are located in the City of Trenton, the state capital. The demographics of Trenton are dramatically different than the entire MSA. Refer to the Market Profile in Appendix C for additional information.

Scope of Evaluation in New Jersey

We performed a full-scope review of the Trenton MSA #8480, which encompasses all of Mercer County. This area was weighted more heavily in our evaluation. The area represents approximately 96% of the bank's lending activity during the evaluation period and 99% of the bank's deposits. Small business loans were weighted more heavily given the bank's strategic focus as a commercial lender.

Community credit and community development needs were determined by contacting an economic development organization within the Trenton MSA. We also reviewed records from a combination of prior community contacts performed by various regulatory agencies and U.S. Department of Housing and Urban Development (HUD) Consolidated Plan for Trenton. Affordable rental housing, job opportunities and training, and economic development and revitalization were identified needs.

Refer to the Market Profiles for the State of New Jersey in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in New Jersey is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Trenton MSA is good.

Lending Activity

Refer to Table 1 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the bank's lending activity.

YNB's lending activity is good. Approximately 54% of the loans originated during the evaluation period were home mortgage loans, with small business loans accounting for the remaining 46%. No small farm loans were originated. Agricultural lending is not a primary business line of YNB. Additionally, the bank's loan-to-deposit ratio of 83% approximates the ratio of its national peer group.

Among home mortgage loan originations, approximately 26% were for home purchase, 21% were for home improvement, and 51% were for home mortgage refinance. The balance of the originations was for multifamily housing.

YNB is ranked fourth in deposits in the AA with a 9% market share as of June 30, 1999.

Based on 1998 CRA aggregate data, YNB ranks 5th in small loans to businesses with a market share of 7.1%. The two top lenders are nationwide credit card issuers and dominate with a combined 42% market share. The other two lenders ahead of YNB are large regional banks that are strong competitors. Less than 2% percentage point separate the area's largest regional bank and YNB.

Based on 1998 HMDA aggregate data, YNB ranked 13th (2.2%) in overall home mortgage lending. Two non-bank mortgage lenders and other large regional banks dominate the market. Just over 2% separate YNB from the bank with the largest deposit market share in the AA.

Based on 1998 HMDA aggregate data, YNB ranked 28th with a 0.8% market share in home purchase lending. The top five originators, which were all non-bank mortgage lenders, had a combined market share of 32%, ranging from a low of 4% to a high of 9%. Other originators in the AA include YNB's major competitors. Less than 2% separates YNB from the regional bank with 2nd largest deposit market share in the AA.

Based on this same aggregate data, YNB ranked 7th with a 5% market share in home improvement lending. Four large regional banks that rank in front of YNB

and are strong competitors to YNB have a combined market share of 51%, ranging from a low of 6% to a high of 21%. The remaining two competitors are non -bank mortgage lenders with a combined market share of 18% (13% and 5%).

YNB ranked 10th with a 3% market share in home refinancing behind these same large regional banks and non-bank mortgage lenders. Less than 2% separate YNB from the bank with the largest deposit market share in the AA.

Distribution of Loans by Income Level of the Geography

The geographic distribution of YNB's home mortgage loans and small loans to businesses reflect good penetration in the AA.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

Home purchase loan geographic distribution is good. The portion of home purchase loans made in low-income geographies is near and in moderate-income geographies equals the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies substantially meets YNB's overall market share for home purchase loans. The home purchase loans originated in low-income geographies were made in 1999, and 2000. Market data is based on 1998 information. Therefore, no market share data was available for loans made in low-income geographies.

Home improvement loan geographic distribution is adequate. Home improvement loans made in moderate-income geographies are below the percentage of owner-occupied housing. YNB did not originate any home improvement loans in low-income geographies during the evaluation period. YNB's market share in moderate-income geographies exceeds its overall market share.

Refinance loan geographic distribution is excellent. The portion of refinance loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies significantly exceed YNB's overall market share for refinance loans by nearly two and one half times. The portion of loans made in low-income geographies is near the portion of owner-occupied housing units in

those geographies. The market share for such loans is approximately half of YNB's overall market share in the MSA.

Small Loans to Businesses

Refer to Table 5 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination of small loans to businesses.

Geographical distribution of small business lending is good. YNB's small loans to businesses in moderate-income geographies equal the percentage of businesses that are located in these geographies. YNB's market share in moderate-income geographies substantially meets its overall market share. YNB's small loans to businesses in low-income geographies is below the percentage of businesses that are located in these geographies. YNB's low-income market share exceeds its overall market share.

Consumer Loans

Refer to Table 14 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The overall geographic distribution of motor vehicle loans is good. The portion of YNB's motor vehicle loans in moderate-income geographies substantially exceeds the percentage of population that resides in these geographies. Twenty-six percent of YNB's motor vehicle loans were originated in these geographies compared to 16% of the population. In low-income geographies, the portion of loans equals the percentage of population that resides in these geographies.

Lending Gap Analysis

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

Inside/Outside Ratio

A substantial majority of the home mortgage loans and a majority of the small loans to businesses originated by YNB over the evaluation period were within its AA.

The HMDA loans originated, in the AA, during the evaluation period represent 81% of YNB's HMDA originations in the state. Small loans to businesses represents 68% of YNB's small loans to businesses originations in the state. All of the CD loans were within the state. This analysis was conducted at the state level.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of YNB's home mortgage loans reflects excellent dispersion among borrowers of different income levels in the AA and small loans to businesses indicate good distribution.

We considered demographic factors including the high cost of housing compared to the median family income of a low-income person, and the high percentage of individuals below the poverty level, in our home mortgage analysis.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

Borrower distribution for home purchase lending is excellent when considering the difficulty that low- and moderate-income individuals have in purchasing a home, in the AA. The median cost of housing in the AA is \$151 thousand, based on 1990 census data. The HUD updated median family income for 2000 is \$68,900. A low-income person earns less than \$34,450. Additionally, more than 7% of the households in the AA are below the poverty level. A moderate-income person earns at least \$34,450 but less than \$55,120.

The percentage of home purchase loans made to low-income borrowers in the AA is near to the percentage of low-income families in the AA. YNB originated 17% of its loans to low-income borrowers compared to 19% of low-income families. YNB's market share to low-income borrowers substantially exceeds its overall market share. This is excellent performance when considering the affordability of housing for a low-income person in the AA as discussed above.

The percentage of loans made to moderate-income borrowers is below the percentage of moderate-income families in the AA. YNB originated 11% of its loans to moderate-income borrowers compared to 18% of moderate-income families. YNB's market share to moderate-income borrowers is below its overall market share. This is good performance when considering the affordability of

housing for a moderate-income person in the AA as discussed above.

Home improvement borrower distribution is excellent. The percentage of home improvement loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA. YNB originated 23% of its loans to moderate-income families compared to 18% of moderate-income families. YNB's market share to moderate-income borrowers substantially meets its overall market share.

The percentage of home improvement loans made to low-income borrowers in the AA is also excellent. The percentage of the bank's lending to low-income borrowers is below the percentage of low-income families in the AA. The bank originated 14% of its loans to low-income borrowers compared to 19% of low-income families. The market share of 7.5% to low-income borrowers substantially exceeds the overall market share of 5.2%. This is also excellent performance when considering that there are less opportunities available to low-income individuals for home improvement loans based on the affordability for a low-income person to purchase a home in the AA, as discussed above.

Home refinance borrower distribution is excellent. The percentage of refinance loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA. YNB originated 21% of its loans to moderate-income families compared to 18% of moderate-income families. YNB's market share of 4.9% to moderate-income borrowers substantially exceeds its overall market share of 2.9%.

The percentage of refinance loans made to low-income borrowers in the AA is near to the percentage of low-income families in the AA. The bank originated 17% of its loans to low-income borrowers compared to 19% of low-income families. YNB's market share of 5.4% to low-income borrowers substantially exceeds its overall market share. This is also excellent performance when considering that there are less opportunities available to low-income individuals for home refinance loans based on the affordability for a low-income person to purchase a home in the AA, as discussed above.

Small Loans to Businesses

Refer to Table 10 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination of small loans to businesses.

The borrower distribution of small loans to businesses is good when considering the strong competition from very large regional bank's and non-bank financial intermediaries for these loans.

Small loans to small businesses (businesses with revenues of \$1 million or less) represents 78% of all small loans to businesses originated by YNB compared to 85% of the businesses within the AA defined as such. The bank's lending to small businesses substantially meets the percentage of small businesses in the AA. The market share of 12.7% for small loans made to small businesses substantially exceeds YNB's overall market share of 7.1%. The distribution by size of loan shows that a majority of the loan originations are for \$100,000 or less. This is another indication that business lending is primarily to small businesses.

Consumer Loans

Refer to Table 14 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations.

The borrower distribution of motor vehicle loans is excellent. The percentage of loans made to both low- and moderate-income borrowers substantially exceeds the percentage of households. YNB originated 47% of its motor vehicle loans to low-income borrowers compared to 23% of the households defined as low-income and originated 30% of its motor vehicle loans to moderate-income borrowers compared to 17% of the households defined as moderate-income.

Community Development (CD) Lending

Refer to Table 1 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the bank's level of CD lending.

CD lending had a positive impact on the Lending Test conclusions for the Trenton MSA.

YNB has made a relatively high level of CD loans in the AA. During the evaluation period, YNB originated five CD loans totaling \$2.7 million. The following is a brief description of each loan:

YNB approved a \$1.4 million line of credit to establish a supermarket within an

urban renewal project in Trenton, NJ. The loan will help to revitalize and stabilize this moderate-income area, as well as create permanent jobs for low- and moderate-income individuals.

In October 1998, YNB approved a \$920 thousand construction line of credit to a non-profit organization for construction of 12 residential townhouse style units and the rehabilitation of 7 existing row home-style units in various locations in Trenton. The units will be sold under a special program benefiting low- and moderate-income individuals. The estimated sales price range of the homes is \$52 thousand to \$68 thousand, making the homes affordable to these individuals.

YNB provided a \$159 thousand construction line of credit to a for-profit builder to construct four affordable housing units in Trenton under the "The Dream Home Project". The selling price of each unit is \$98 thousand. The City of Trenton is providing a minimum \$20 thousand per unit subsidy. The homes are being sold to low- and moderate-income families. YNB provided a \$150 thousand line of credit to a non-profit organization that provides community services and affordable housing to low-income and homeless women in Trenton, NJ.

The bank originated an \$83 thousand mortgage loan to an individual to purchase a 5-unit apartment building in a low-income geography in Trenton. The property is listed as a qualified Mercer County Affordable Housing Project. The housing units will benefit low- and moderate-income individuals.

The community development loans are very responsive to the needs of the AA. As noted in the Market Profile, Appendix C, affordable housing and economic development/revitalization-stabilization are primary needs, especially within the City of Trenton.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusion for the Trenton MSA.

YNB offers flexible mortgage-related lending programs serving low-and moderate-income borrowers. A minimum down payment of 3% is required and income limitations are determined by a percentage of the MSA or county income published by HUD. During the evaluation period, the bank originated 7 loans totaling \$504 thousand under this program.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in New Jersey is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Trenton MSA is adequate.

Refer to Table 12 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, YNB made 28 new investments totaling \$276 thousand. One of the new investments includes partial funding of a legally binding commitment as described below. The new investments address the identified need of economic development.

We determined through community contacts and our internal research that there are opportunities for qualified investments but that they are limited for YNB based on the strong competition for qualified investments in the AA. There are a few qualified loan funds available. YNB has participated in one of these funds. We determined that there were only two low-income tax credit projects in 2000 available out of a total thirteen projects, in the AA.

In October 1999, YNB agreed to commit \$500 thousand over four years to a newly established SBIC. The SBIC provides mezzanine financing to qualified small businesses operating within a multistate regional area that includes the bank's AA. YNB funded \$126 thousand of this commitment during the evaluation period. The commitment and funded amounts are being allocated to each AA of the bank based on the prorata share of deposits. Ninety-nine percent of the investment is allocated to the state of New Jersey.

In March 2000, YNB made a \$46 thousand (12.6%) equity investment in a county revolving loan fund. The fund is designed to help stimulate economic development by providing small business loans to small businesses employing a majority of county residents, many of whom are low- and moderate-income individuals. Each bank with operations in the county invested in the fund in proportion to their deposits in the county as of June 30, 1999.

Grants/Donations - YNB provided 26 grants totaling \$104 thousand to local non-profit organizations for various CD initiatives throughout the Trenton MSA.

Prior period investments still outstanding and continuing to benefit the AA include two privately developed pools of mortgage back securities geared toward affordable housing for low- and moderate-income individuals totaling \$1.3 million. Also, the bank has a \$20 thousand investment in a nonprofit Community Development Financial Institution (CDFI). The CDFI provides loans for affordable housing and economic development projects benefiting low- and moderate-income people and geographies throughout the state of New Jersey, including the bank's AA.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in New Jersey is rated "Low Satisfactory". Based on the full-scope review, the bank's performance in the Trenton MSA is adequate.

Retail Banking Services

Refer to Table 13 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

YNB's delivery systems are reasonably accessible to geographies and individuals of different income levels within its AA based upon population demographics and locations of the bank's branches and ATMs. The percentage of branches located in moderate-income geographies is below the percentage of the population in those geographies. There have been no branch closings. YNB opened three branches during this period, one in a middle-income geography and two in upper-income geographies.

All branches offer extended and Saturday hours. One branch, located within a supermarket, offers Sunday hours. YNB has at least one ATM at each branch location. The traditional line of banking products and services are offered at all branches.

Community Development Services

YNB provides an adequate level of CD services throughout its AA. Five bank officers and several employees provide technical, and financial expertise that benefit three community organizations, and provides counseling to low and moderate-income individuals regarding credit and homebuying. Examples include:

Two senior officers of YNB are board members of the Mercer County Economic Development Corporation (EDC). The EDC is involved in the urban revitalization, and redevelopment of many of the county's low- and moderate-income geographies.

Two officers of YNB are actively involved with Neighborhood Housing Services of Trenton, Inc. (NHS). NHS provides low cost loans to residents of targeted areas for home improvement and renovations. One officer serves on the loan committee. The other officer is a member of the board of directors.

An officer of YNB serves on the board of Capital South/Main Street. Main Street is a national program that strives to stimulate economic development and revitalization in low- and moderate-income areas in the downtown area. Capital South is located in South Trenton, a low- and moderate-income geographic area.

YNB periodically conducted first time homebuyer seminars during the evaluation period. The seminars are targeted to low- and moderate-income individuals, who learn about budgeting, the loan process, and the responsibilities of home ownership.

Representatives of YNB's consumer credit department periodically conducted credit counseling seminars targeted to low- and moderate-income individuals.

State Rating

CRA Rating for Pennsylvania:	<u>Low Satisfactory</u>
The Lending Test is rated:	<u>Low Satisfactory</u>
The Investment Test is rated:	<u>Low Satisfactory</u>
The Service Test is rated:	<u>Low Satisfactory</u>

- ▶ The major factors that support this rating include:
- ▶ Lending activity is adequate, given the bank's recent entry into the Pennsylvania market.
- ▶ Lending to small businesses is good.
- ▶ An adequate level of qualified investments, given the opportunities available.
- ▶ YNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA.

Description of Institution's Operations in Pennsylvania

YNB commenced operations in this state on April 1, 1999. The bank has one branch and one full service ATM within its single AA in the state. The branch was established mainly to service their existing customer base, many of whom work in the Trenton MSA, but reside in Pennsylvania. According to management, Bucks County, (which includes the Newtown AA) is a suburban area easily accessible to Trenton.

As of June 30, 1999, the bank had total deposits in the state approximating \$4.5 million. YNB did not have market share in the state of Pennsylvania, given the size and scope of operations.

YNB's AA evaluated as part of the state rating is comprised of the 11 census tracts comprising Newtown, Upper and Lower Makefield Townships, and Yardley, Pennsylvania. There are no low- or moderate-income tracts. Two of the census tracts are designated middle-income and nine are designated upper-income.

Refer to the Market Profile in Appendix C for detailed demographics and other performance context information.

Scope of Evaluation in the State of Pennsylvania

A full-scope review was conducted of the Newtown AA area. The state rating for Pennsylvania is based on the bank's performance in this AA. Please refer to Appendix A for additional information.

Refer to Appendix C for the discussion regarding community contacts. We did not place significant emphasis on this AA when determining the bank's CRA rating. Consideration was given to the limited presence, and time that YNB has been operating in the Pennsylvania market. The bank's presence in the Pennsylvania AA is insignificant to its overall operations. The bank's deposit market share in this AA is nominal.

Small business loans were weighted more heavily given the bank's strategic focus as a commercial lender. Because the bank did not have a presence in Pennsylvania until early 1999, market rank and market share information was not available.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Pennsylvania is rated "Low Satisfactory ". Based on full-scope reviews, the bank's performance in Newtown is adequate.

Lending Activity

Refer to Table 1 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's lending activity.

YNB's lending activity within Newtown is adequate. The bank has a very small deposit market share of 0.83% in this AA. Lending market share was not available for 1999. YNB has intense competition from long standing established larger banks in the AA.

YNB made 38 loans in the AA totaling \$5.6 million since entering the Pennsylvania market. There were 9 HMDA loans totaling \$1.7 million and 17 small loans to businesses totaling \$4 million. The remaining loans were motor vehicle loans reviewed at the bank's request.

Distribution of Loans by Income Level of the Geography

There are no low- or moderate-income geographies in the AA. Therefore, an analysis of geographic distribution of loans is not meaningful. Tables 2, 3, 4, 5, and 14 (regarding geographic distribution) are not applicable for this analysis.

Inside/Outside Ratio

The HMDA loans originated, in the AA, during the evaluation period represent 43% of YNB's HMDA originations in the state. Small loans to businesses represents 45% of YNB's small loans to businesses originations in the state. The analysis was performed at the state level.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of YNB's small loans to businesses reflects good dispersion among borrowers of different income levels in the AA. The distribution of home mortgage loans is adequate.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

Borrower distribution of the nine home mortgage loans originated during the evaluation period is adequate when considering the limited presence, and time that the bank has been operating in the AA. Additionally, the cost of housing in the AA compared to the MFI for low-and moderate-income borrowers. The HUD median family income is \$58 thousand. A low-income person earns less than \$29,000. A moderate-income person earns at least \$29,000 but less than \$46,400. The median cost of a home is \$208 thousand, making affordability difficult for low- and moderate-income individuals.

Home improvement lending to moderate-income borrowers exceeded the percentage of moderate-income families in the AA. No home purchase or home mortgage refinance loans were made to low-and moderate-income borrowers. Four percent of the families in the AA are low-income, and 8% are moderate-

income.

Small Loans to Businesses

Refer to Table 10 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination of small loans to businesses.

The borrower distribution of small loans to businesses is good. Small loans to small businesses (businesses with revenues of \$1 million or less) represents 94% of all small loans to businesses originated by YNB compared to 87% of the small businesses in the AA. YNB's loans to small businesses significantly exceeded the percentage of small businesses in the AA. Seventy-six percent of the loans originated had original amounts up to \$250 thousand or less.

Consumer Loans

Refer to Table 14 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of motor vehicle loans is good. The percentage of loans made to low-income borrowers substantially exceeds the percentage of households defined as low-income. YNB originated 17% of its motor vehicle loans to low-income borrowers compared to 7% of the households defined as low-income. The percentage of loans made to moderate-income borrowers exceeds the percentage of households defined as moderate-income. YNB originated 8% of its motor vehicle loans to moderate-income borrowers compared to 7% of the households defined as moderate-income.

Community Development Lending

Refer to Table 1 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. CD lending had a neutral impact on the Lending Test conclusions for the Newtown AA. While no CD loans were made, the opportunity for CD lending is limited, given the demographics of the AA. This information was verified through a community contact and discussion with bank management.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusion for the Newtown AA.

YNB offers flexible mortgage-related lending programs serving low-and moderate-income borrowers. A minimum down payment of 3% is required and income limitations are determined by a percentage of the MSA or county income published by HUD. No loans were originated during the evaluation period in this AA.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Pennsylvania is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in Newtown is adequate.

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

In October 1999, YNB agreed to commit \$500 thousand over four years to a newly established SBIC. The SBIC provides mezzanine financing to qualified small businesses operating within a multistate regional area that includes the bank's AA. YNB funded \$1 thousand of this commitment during the evaluation period. The commitment and funded amounts are being allocated to each AA of the bank based on the prorata share of deposits. One-percent of the commitment (\$5 thousand) is allocated to the state of Pennsylvania.

The availability of qualified investments is limited based on the demographics of the AA.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Pennsylvania is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in Newtown is adequate.

Retail Banking Services

Refer to Table 13 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

YNB's delivery systems are reasonably accessible to geographies and individuals of different income levels within its AA based upon population demographics and locations of the bank's branch and ATM. The one branch office is located in an upper-income geography where 84% of the population in the AA resides. There have been no branch closings. YNB opened one branch during this period in an upper-income geography. There are no low-and moderate-income geographies in the AA.

Community Development Services

YNB did not provide any community development services. Opportunities are limited, given the demographics of the AA.

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 Loans): NJ: 07/01/98 to 06/30/00 PA: 04/01/99 to 06/30/00 Investment and Service Tests and CD Loans: NJ: 08/25/98 to 08/21/00 PA: 04/01/99 to 08/21/00	
Financial Institution		Products Reviewed
Yardville National Bank (YNB) Hamilton, New Jersey		Home Mortgage, Small Business, Motor Vehicle, Community Development Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
Yardville National Investment Corp (YNIC)	Bank Subsidiary	Investment Securities
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
New Jersey Trenton MSA #8480	Full-Scope	Bank operations in Pennsylvania commenced April 1, 1999.
Pennsylvania Newtown/Makefield (within Bucks County portion of MSA #6160)	Full-Scope	

Appendix B: Summary of State Ratings

RATINGS		BANK NAME		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Yardville National Bank	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State:				
New Jersey	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Pennsylvania	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Test in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

State of New Jersey.....	C-2
State of Pennsylvania	C-4

State of New Jersey Full-Scope Areas

Trenton MSA

Demographic Information for Full-Scope Area: Trenton MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	63	11	19	43	24	3
Population by Geography	325,824	7	16	44	33	0
Owner-Occupied Housing by Geography	77,818	3	13	50	34	0
Businesses by Geography	13,157	9	11	47	33	0
Farms by Geography	305	2	5	48	45	0
Family Distribution by Income Level	83,109	19	18	24	39	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	30,806	12	25	46	17	0
Median Family Income	= \$48,490	Median Housing Value				= \$150,801
HUD Adjusted Median Family Income for 2000	= \$68,900	Unemployment Rate (July 2000)				= 3.7%
Households Below the Poverty Level	= 7.24%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2000 HUD updated MFI.

YNB's AA includes the entire MSA 8480, which encompasses Mercer County. The Trenton MSA is the bank's primary AA. The bank is a major, although not dominant participant in the MSA. YNB has 12 branches and 14 ATMs serving this AA. It has the 4th largest deposit market share in the AA with 9% of deposits based on June 30, 1999 FDIC Summary of Deposits. YNB's principal competitors in this market are #1-First Union National Bank (24 offices/34% of deposits), #2-Summit Bank (21 offices/14% of deposits), and #3-Sovereign Bank (18 offices/13% of deposits). Competition is strong for deposits and loans in the New Jersey AA.

The MSA contains the City of Trenton, the capital of the state of New Jersey. The demographics of this city are dramatically different in terms of the make-up of the population, income levels, and the nature of the housing stock. All of the low-income tracts and eleven of the twelve moderate-income tracts of the entire AA are within Trenton. Trenton is designated by the state as an Urban Enterprise Zone. This designation offers tax incentives and financial benefits to businesses located in the area, similar to federal empowerment zones.

Seventeen percent (17%) of the households residing in Trenton are below the poverty level as compared with seven percent (7%) for the entire AA. The Department of Housing and Urban Development Consolidated Plan for the city indicates that 41% of Trenton's population is considered very low-income. Within Trenton, 39% of the families are low-income, 24% are moderate-income, 22% are middle-income, and 15% are upper-income.

The median housing value in the city is \$67 thousand and the median age of the housing stock is 57 years. Owner-occupied and rental-occupied housing is evenly split with each at 46%. Vacant units are 8%. Within the low-income tracts, the percentage of vacant units rises to 15%. According to the Consolidated Plan, the most serious housing problems include severe housing cost burden and overcrowding among low-income renters, a proliferation of substandard housing conditions, and a corresponding decrease in available housing opportunities for low-income renter households. Among low-income homeowners, there is an ongoing need for financial assistance for property improvement repairs in order to satisfy code violations. Up to 30 % of privately owned rental housing stock is considered physically substandard. With owner-occupied housing, up to 20% is substandard.

The city's unemployment rate of 8.8% at the end of 1998 (latest available data) was more than double the county, state, and national rates.

During this examination, we held a discussion with one local economic development department to help us determine the community credit and development needs in the AA. We also reviewed information from a community contact conducted by another regulatory agency and the Consolidated Plan for the MSA. The contacts identified affordable rental housing, job opportunities training, and adequate neighborhood retail goods and services, as primary CD needs.

Newtown

Demographic Information for Full-Scope Area: Newtown						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	11	0	0	25	75	0
Population by Geography	49,618	0	0	16	84	0
Owner-Occupied Housing by Geography	14,846	0	0	13	87	0
Businesses by Geography	2,459	0	0	29	71	0
Farms by Geography	73	0	0	11	89	0
Family Distribution by Income Level	14,146	5	9	18	68	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,718	0	0	30	70	0
Median Family Income HUD Adjusted Median Family Income for 2000 Households Below the Poverty Level	= \$41,908 = \$57,800 = 1.7%	Median Housing Value Unemployment Rate				= \$208,237 Unavailable

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2000 HUD updated MFI.

YNB's AA includes portions of MSA 6160. The AA includes 11 census tracts comprising Newtown, Upper and Lower Makefield, and Yardley Townships and is populated by 49 thousand persons. There are no low- or moderate-income tracts. The tracts are located within Bucks County, located in southeastern Pennsylvania. The median housing price is \$208 thousand, making affordability difficult for low- and moderate-income individuals.

Operations in the AA began in April 1999, with the establishment of a single branch and ATM. The branch was established mainly to serve existing bank customers. To date, YNB is not a major participant in the AA, given the intense competition by long established and much larger banks in the area. With \$4.5 million in deposits as of June 30, 1999, YNB had a 0.83% market share in Newtown. Principal competitors in this AA are #1- FNB&T of Newtown (4 offices/33% of deposits), #2-Sovereign Bank (2 offices/27% of deposits), and #3-First Union National Bank (1 office/18% of deposits). Together, these three banks have a combined market share of 78%.

Given the demographics of Newtown, the opportunities for CD investments and services are limited. The opportunities that do exist tend to be countywide, but target low- and moderate-income geographies in Bucks County.

One community contact with a local business and professional association was conducted. No unmet credit needs or services were identified.

Appendix D: Tables of Performance Data

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Content of Standardized Tables	D-2
Tables of Performance Data	
State of New Jersey.....	D-5A
State of Pennsylvania	D-12A

Content of Standardized Tables

A separate set of tables is provided for each state. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; 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 included in each set:

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. 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. 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 be legally binding and tracked and recorded by the bank's financial reporting system.

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 - 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.

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Table 1. Lending Volume

LENDING VOLUME													State: NEW JERSEY	Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
Full-Scope:														
Trenton MSA	100	509	41,174	424	76,615	0	0	5	2,712	938	120,501	100		

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is July 1, 1998 to June 30, 2000.

(***) The evaluation period for Community Development Loans is August 25, 1998 to August 21, 2000.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																State: NEW JERSEY	Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans		
	% 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	#	% of Total**	
Full-Scope:																	
Trenton MSA	3	2	13	13	50	64	34	21	28	0.8	0	0.6	1.1	0.6	131	100	

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

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans								
	% 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	#	% of Total**							
Full-Scope:																							
Trenton MSA	3	0	13	8	50	67	34	25	7	5.2	0.0	6.0	5.7	4.9	109	100							

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

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans								
	% 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	#	% of Total**							
Full-Scope:																							
Trenton MSA	3	2	13	15	50	62	34	21	10	2.9	1.5	7.1	3.9	1.2	261	100							

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

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																	State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans					
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Trenton MSA	8	4	11	11	47	52	33	33	5	7.1	7.3	6.1	8.6	5.3	424	100				

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

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																	State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans					
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Trenton MSA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA				

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

(**) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																	State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Trenton MSA	19	17	18	11	24	11	39	56	28	0.8	1.7	0.4	0.3	1.1	131	100							

(*) As a percentage of loans with borrower income information available. No information was available for 5% of loans originated and purchased by the bank.

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

(***) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																	State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total**							
Full-Scope:																							
Trenton MSA	19	14	18	23	24	18	39	44	7	5.2	7.5	5.1	4.9	4.7	109	100							

(*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by the bank.

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

(***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				State: NEW JERSEY				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000								
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Trenton MSA	19	17	18	21	24	31	39	31	10	2.9	5.4	4.9	4.6	2.0	261	100

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

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

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				State: NEW JERSEY				Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses			
	% 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	#	% of Total****		
Full-Scope:											
Trenton MSA	85	78	55	24	21	7.1	12.7	424	100		

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

(**) 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 1% of small loans to businesses originated and purchased by the bank.

(***) Based on 1998 Aggregate Small Business Data only.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
			State: NEW JERSEY			Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000			
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Trenton MSA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 100% of small loans to farms originated and purchased by the bank.

(***) Based on 1998 Aggregate Small Farm Data only.

(****) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
			State: NEW JERSEY			Evaluation Period: AUGUST 25, 1998 TO AUGUST 21, 2000			
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
Trenton MSA	3	1,307	28	276	31	1,583	100	1	369

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

(**) Unfunded Commitments means legally binding investment commitments that are tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		State: NEW JERSEY		Evaluation Period: AUGUST 25, 1998 TO AUGUST 21, 2000														
MSA/Assessment Area:	Deposits		Branches					Branch Openings/Closings						Population																				
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography																				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp																	
Full-Scope:																																		
Trenton MSA	100	12	100	0	8	67	25	0	3	0	0	+2	+1	7	16	44	33																	

Table 14. Geographic and Borrower Distribution of Consumer Loans (Motor Vehicles)

Geographic and Borrower Distribution: CONSUMER LOANS																		State: NEW JERSEY		Evaluation Period: JULY 1, 1998 TO JUNE 30, 2000														
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution																									
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans																	
	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total**																
Full-Scope:																																		
Trenton MSA	7	7	16	26	44	52	33	15	23	47	17	30	20	13	40	8	938	100																

(*) The percentage of the population in the MSA/assessment area that resides in these geographies.

(**) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.

Table 1. Lending Volume

LENDING VOLUME													State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Newtown	100	9	1,660	17	3,963	0	0	0	0	26	5,623	100				

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is [Month Day, Year] to [Month Day, Year].

(***) The evaluation period for Community Development Loans is [Date of last CRA Evaluation] to [Start date of CRA Analysis Phase].

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans				
	% 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	#	% of Total**			
Full-Scope:																			
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM			

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

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

NM Not Meaningful

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% 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	#	% of Total**				
Full-Scope:																				
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM			

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

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

NM Not Meaningful

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans					
	% 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	#	% of Total**				
Full-Scope:																				
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM			

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

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

NM Not Meaningful

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000							
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans											
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**										
Full-Scope:																										
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM									

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

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

NM Not Meaningful

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans										
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**									
Full-Scope:																									
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM								

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

(**) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

NM Not Meaningful

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Newtown	4	0	8	0	16	0	72	100	0	0	0	0	0	0	2	100							

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Based on 199X Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total**							
Full-Scope:																							
Newtown	4	0	8	25	16	0	72	75	0	0	0	0	0	0	4	100							

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(**) Based on 199X Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				State: PENNSYLVANIA				Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000								
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Newtown	4	0	8	0	16	33	72	67	0	0	0	0	0	0	3	100

(*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

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

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				State: PENNSYLVANIA			Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses		
	% 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	#	% of Total****	
Full-Scope:										
Newtown	87	94	35	41	24	NM	NM	17	100	

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

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0% of small loans to businesses originated and purchased by the bank.

(***) Based on 1998 Aggregate Small Business Data only.

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

NM Not Meaningful

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS State: PENNSYLVANIA Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000									
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	NM

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for XX% of small loans to farms originated and purchased by the bank.

(***) Based on 199X Aggregate Small Farm Data only.

(****) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS State: PENNSYLVANIA Evaluation Period: APRIL 1, 1999 TO AUGUST 21, 2000									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
Newtown	0	0	1	1	1	1	100	1	4

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

(**) "Unfunded Commitments" means legally binding investment commitments that are tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO AUGUST 21,2000			
MSA/Assessment Area:	Deposits		Branches					Branch Openings/Closings					Population									
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography								
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp					
Full-Scope:																						
Newtown	100	1	100	0	0	0	1	0	1	0	0	0	1	0	0	16	84					

Table 14. Geographic and Borrower Distribution of Consumer Loans (Motor Vehicle)

Geographic and Borrower Distribution: CONSUMER LOANS																	State: PENNSYLVANIA		Evaluation Period: APRIL 1, 1999 TO JUNE 30, 2000			
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution													
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans					
	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total**				
Full-Scope:																						
Newtown	NM	NM	NM	NM	NM	NM	NM	NM	7	17	7	8	14	25	72	17	12	100				

(*) The percentage of the population in the MSA/assessment area that resides in these geographies.

(**) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.