



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

January 9, 2001

### Community Reinvestment Act Performance Evaluation

Woodstown National Bank and Trust Company  
Charter Number: 11734

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Woodstown, New Jersey 08098

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 **Woodstown National Bank and Trust Company** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **January 9, 2001**. 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) dwelling 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 non-farm 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 **Woodstown National Bank and Trust Company** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Woodstown National Bank & Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	<b>X</b>	<b>X</b>	
Low Satisfactory			<b>X</b>
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:

- Lending levels reflect good responsiveness by WNB to the credit needs of its assessment area;
- there is a good distribution of WNB's loans among geographies and among borrowers of different income levels throughout its assessment area;
- investments reflect a good responsiveness by WNB to the needs of its assessment area;
- WNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment area;
- performance in providing community development services is adequate; and
- the flexible loan program had a positive impact on the Lending Test rating.

## Description of Institution

Woodstown National Bank and Trust Company (WNB) is a \$311 million institution headquartered in Woodstown, New Jersey, which is located in Salem County. WNB is a wholly owned subsidiary of Fulton Financial Corporation (FFC), a \$6.5 billion bank holding company formed in 1982 and headquartered in Lancaster, Pennsylvania. FFC has thirteen affiliate banks in Pennsylvania, Maryland, Delaware, and New Jersey. In addition, FFC owns four non-banking subsidiaries. WNB was purchased by FFC in February 1997. WNB is an intrastate community bank with eight full service offices throughout both Salem and Gloucester counties in MSA 6160, which is part of the Philadelphia, Wilmington, and Atlantic City Combined Metropolitan Statistical Area (CMSA). There are no operating subsidiaries of the bank.

WNB offers a full range of commercial and retail banking services including conventional home mortgage loans, consumer loans and commercial loans. As of 9/30/00, WNB reported net loans of \$223 million and investments of \$66 million. Net loans represent 72% of total assets and consist of commercial mortgages of \$76 million (34%), residential mortgages of \$61 million (27%), commercial loans of \$40 million (18%), consumer loans of \$37 million (17%) and construction loans of \$8 million (4%).

WNB has historically been primarily a commercial and retail bank. Current strategy is to continue efforts to attract more loans to small and mid-size businesses and individuals. Agricultural lending is not a primary business line of the bank.

There are no known financial, legal or other factors impeding WNB's ability to meet its community's credit needs. As of September 30, 2000, WNB reported Tier I capital of \$29 million. WNB was rated "Satisfactory" at its last CRA evaluation dated August 17, 1998.

# Scope of the Evaluation

## Evaluation Period/Products Evaluated

With the exception of community development loans, the evaluation period for the Lending Test is July 1, 1998 through December 31, 2000. For CD loans, the Investment Test, and the Service Test, the evaluation period is August 18, 1998 through January 9, 2001.

For the Lending Test, WNB's origination of home mortgage loans, small loans to businesses and farms and community development loans were evaluated. The Investment Test and Service Test included a review of the bank's qualified community development investments and services.

The market share and peer lender comparisons contained in the lending test are based on information contained in the aggregate HMDA, Small Business and Small Farm Reports for 1999.

## Data Integrity

As part of this CRA evaluation, WNB's publicly filed information on home mortgage loans, small loans to businesses, and small loans to farms was tested for accuracy.

No significant errors were found in the HMDA reportable loans, however, errors were noted in key fields of the small loans to businesses and small loans to farms loan data. WNB was able to isolate the source and correct the errors. As a result, this evaluation is based on accurate data.

Community development loans, investments and services submitted by WNB management were verified to ensure that they met the regulatory definition for community development. Some items submitted by WNB for consideration were excluded from this evaluation because they did not meet the definition or purpose of community development.

## Selection of Areas for Full-Scope Review

WNB has one assessment area that includes all of Salem and Gloucester Counties. This assessment area is comprised of 83 contiguous census tracts in the New Jersey portion of MSA 6160, which is part of the Philadelphia, Wilmington, and Atlantic City Combined Metropolitan Statistical Area (CMSA). The assessment area received a full-scope review and WNB's CRA ratings are based on the results of this review. Refer to the table in Appendix A for more information.

## Ratings

The bank's overall rating is based primarily on the full-scope review of the performance in the assessment area. Home mortgage refinance products and small loans to businesses are primary products and thus were weighted more heavily than home purchase and home improvement products. This weighting is reflective of WNB's loan volume by product type over the evaluation period.

## Other

Three community contacts were made during the evaluation. The contacts included a county economic development agency that promotes neighborhood economic growth through support of small businesses servicing Salem County, a non-profit social service and business development organization engaged in a



variety of social service programs, providing entrepreneurial skills and funding to start-up or existing small businesses throughout Cumberland, Gloucester, and Salem Counties, and a non-profit community development organization that provides social service programs such as counseling for credit and homeownership primarily to the large Hispanic population in Salem County.

We also reviewed one community contact made by another agency during the past two years. This government agency provides subsidized housing and affordable housing for low- and moderate-income individuals and families in Gloucester County.

Based on these contacts the bank's assessment area has the following needs, which we considered in our evaluation of WNB's performance under the Lending, Investment and Service Tests:

- support for affordable rental and single family housing development;
- affordable home mortgage products with flexible underwriting, especially for home improvement/rehab products due to the large stock of older homes;
- technical support, entrepreneurial training and funding to start-up and small businesses; and
- financial, homeownership and credit counseling services.

The representatives interviewed indicated that the bank is very supportive of their organizations.

## **Fair Lending Review**

An analysis of the 1999 HMDA data, and two years of public comments and consumer complaint information was performed according to the OCC's risk-based fair lending approach. Based on the analysis of this information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998.

# Conclusions with Respect to Performance Tests

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "**High Satisfactory**". Based on a full-scope review, the bank's performance in the New Jersey portion of MSA 6160 is good.

### Lending Activity

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

WNB's record of lending activity in its assessment area is good. During the evaluation period, WNB originated 764 loans within its assessment area totaling approximately \$82 million. Seventy-one percent of the loans originated were home mortgage loans, 25% were small business loans, and 3% were loans to small farms. Agricultural lending is not a primary business line of WNB.

Among home mortgage loan originations, 43% were for home mortgage refinance, 29% were for home improvement, and approximately 28% were for home purchase. Additionally, WNB is active in lending to small businesses. The bank originated 193 small business loans for approximately \$41 million. Additionally, WNB sold approximately \$15 million in residential mortgage loans over the evaluation period.

Based on FDIC deposit market share data as of June 30, 2000, WNB ranks 5<sup>th</sup> in the assessment area for deposit market share (8%). Three regional banks (Commerce Bank N.A., Summit Bank, and First Union) and an affiliate, (Bank of Gloucester County) dominate the market with a total market share of 43%.

Based on 1999 HMDA aggregate data, WNB is ranked 11<sup>th</sup> for all mortgage products with an overall market share of 2%. WNB is ranked 27<sup>th</sup> out of 394 mortgage lenders in their assessment area for home purchase loans, with a 1% market share. The bank is ranked 13<sup>th</sup> for refinance loans, with a 2% market share and 10<sup>th</sup> for home improvement loans in its assessment area, with an overall market share of 3%. This compares favorably with its deposit market rank and market share when considering the strong competition for these loans in the assessment area. In addition to the competition discussed above, two large regional banks, PNC, and First Union along with several mortgage companies, National City Mortgage, Countrywide Home Loans, Norwest Mortgage, and Cendant Mortgage provide strong competition for all mortgage products in the assessment.

Based on 1999 CRA aggregate data, WNB ranks first in small loans to farms in the assessment area, with a 46% market share, which exceeds its deposit market ranking and market share. WNB is the 6<sup>th</sup> largest originator of small loans to businesses, with an overall market share of 4%. A large credit-card bank (American Express) dominates the market with a 45% market share.

### Distribution of Loans by Income Level of the Geography

The geographic distribution of WNB's home mortgage loans and small loans to businesses reflects good penetration throughout the assessment area geographies. Small loans to farms reflect adequate

penetration.

### ***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 the bank's home mortgage loan originations and purchases.

The geographic distribution of home purchase loans, home improvement loans, and home refinance loans is good. There is one low-income geography located within the assessment area. The geographic distribution of home purchase loans and home improvement loans made in the low-income geography exceeds the percentage of owner-occupied housing units that are in that geography. The percentage of owner-occupied units qualifying as low-income within that geography is less than 1%. The distribution of home purchase and home improvement loans made in moderate-income geographies is near to the percentage of owner-occupied housing units that are in that geography. WNB's market share for home purchase loans made in moderate-income geographies is equal to its overall market share. The bank's market share for home improvement loans made in moderate-income geographies substantially meets its overall market share. The bank has no market share in the low-income geography for home purchase and home improvement loans.

Refinance loan geographic distribution is good. The percentage of refinance loans made in moderate-income geographies is equal to the percentage of owner occupied housing units. WNB's market share for loans made in moderate-income geographies substantially meets its overall market share. No refinance loans were made in the low-income geography. The percentage of owner-occupied units in the low-income geography is less than 1%, which represents less than 789 units. Affordable mortgage products specifically for home improvement/rehab products were identified as a credit need due to the large stock of older homes located within the assessment area. The average age of the housing units in the low-income geography is 46 years and 52 years in moderate-income geographies is 52 years, based on 1990 Census information.

### ***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.

WNB's geographic distribution of small business loans is good. The percentage of small loans to businesses made in the low-income geography exceeds the percentage of all businesses that are in that geography. The percentage of loans made in moderate-income geographies substantially meets the percentage of all businesses that are located in those geographies. WNB's market share of small loans to businesses in moderate-income geographies of 6% exceeds its overall market share in all geographies of 4%. The bank has no market share of small loans to businesses in the low-income geography.

### ***Small Loans to Farms***

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

The geographic distribution of small loans to farms is adequate when considering that agricultural lending is not a primary product line of WNB, and that the significant majority of the opportunities to make farm loans are in the middle- and upper-income geographies.

There are 576 farms located in the assessment area. Ninety-five percent, representing 546 farms are located in middle- and upper-income geographies. Less than 1% (0.2%) or one farm is located in a low-income geography. Five percent, representing 29 farms are located in moderate-income geographies.

WNB originated 25 loans totaling \$556 thousand to farms in middle- and upper-income geographies. The bank made no farm loans in low- and moderate-income geographies. The opportunities for making small loans to farms in low- and moderate-income geographies is limited since only 5% or 29 of the farms are located in low- and moderate-income geographies. WNB is ranked first in originating small loans to farms with an overall market share of 46% in its assessment area.

### ***Lending Gap Analysis***

Maps and reports detailing WNB's lending activity over the evaluation period for home mortgage loans, small loans to businesses and small loans to farms were reviewed to identify conspicuous gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

A substantial majority of the home mortgage loans, small loans to businesses and farms and CD loans originated by WNB over the evaluation period were within the assessment area. Ninety-one percent of the bank's mortgage loans, 77% of the small loans to businesses, 96% of small loans to farms, and 100% of the community development loans were within its assessment area. Eighty-seven percent of total loans combined were made within the bank's assessment area. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of WNB's loans reflects good dispersion among borrowers of different income levels.

In the evaluation of the borrower distribution of WNB's home mortgage loans, the increased difficulty in home mortgage lending to low-income borrowers associated with the high cost of housing was considered. The median housing cost in the assessment area is \$99,200. The median income for a low-income person is less than \$28,900. In addition, 10% of the households are below the poverty level.

### ***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 borrower distribution of WNB's home mortgage loans is good. Additionally, WNB's market share

of lending to low- and moderate-income borrowers is excellent.

Home purchase loan distribution by borrower income level is good when considering the difficulty for a low-income person to purchase a home as previously discussed. The percentage of home purchase loans made to moderate-income borrowers significantly exceeds the percentage of moderate-income families. The percentage of home purchase loans made to low-income borrowers is lower than the percentage of low-income families in the assessment area. The market shares of both low-income and moderate-income exceeds the bank's overall market share of less than one percent.

Home improvement loan distribution by borrower income level is good especially when considering that the opportunities for home improvement loans are limited for low-income borrowers based on the affordability for housing discussed previously. The percentage of home improvement loans made in moderate-income borrowers is near to the percentage of moderate-income families in the assessment area. The percentage of loans to low-income borrowers is lower than the percentage of families in the assessment area. The market shares for both low- and moderate-income borrowers exceeds the bank's overall market share for home improvement loans in the assessment area.

Home refinance loan distribution by borrower income level is good when considering that the opportunities for home refinance loans are limited for low-income persons based on the affordability for housing discussed previously. The percentage of loans made to moderate-income borrowers is near to the percentage of families that are moderate-income. The percentage of home refinance loans made to low-income borrowers is lower than the percentage of families defined as such. The market share for low-income borrowers substantially meets WNB's overall market share and exceeds the overall market share for moderate-income borrowers.

### ***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 distribution of small loans to small businesses is excellent. The percentage of small loans to small businesses (businesses with revenues of \$1 million or less) significantly exceeds the percentage of businesses that are small in the assessment area. In addition, the market share of loans made to small businesses exceeds WNB's overall market share for all business loans. Seventy percent of the bank's small loans to businesses in amounts of \$100 thousand or less substantially meets the percentage of small businesses in the assessment area.

### ***Small Loans to Farms***

Refer to Table 11 in the 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 distribution of small loans to farms is adequate when considering that agricultural lending is not a primary lending product of the bank. The percentage of small loans to small farms, with revenues of \$1 million or less is, significantly lower than the percentage of farms that are small in the assessment area. The market share of loans made to small farms is equal to the bank's overall market share for all farm loans. All of the bank's small loans to farms were for an original amount of \$100 thousand or less.

## **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending. These loans were responsive to the identified needs in the assessment area.

Community development lending had a neutral impact on the bank's Lending Test rating.

During the evaluation period, WNB originated five community development loans totaling \$239 thousand. These loans funded the rehabilitation of affordable housing units to low-income individuals in the City of Salem, promoted small business lending through economic development loan funds, and community services targeted to low- and moderate-income individuals. Two of these loans funded non-profit organizations providing critical services to low- and moderate-income individuals, including a loan that provides transitional services to low-income individuals and a working capital line of credit which primarily addresses the needs of low- and moderate-income Hispanic community in Salem County.

In addition, WNB originated five small loans to businesses totaling \$320 thousand that have community development characteristics. These loans were considered in the evaluation of small loans to businesses.

WNB has a legally binding commitment totaling \$3.4 million to provide construction and permanent mortgage loan financing for a 60-unit assisted living facility that will primarily support low- and moderate-income senior citizens in Salem County. The loan is scheduled to close in February 2001.

## **Product Innovation and Flexibility**

Product innovation and flexible lending practices had a positive impact on the Lending Test rating.

WNB offers flexible mortgage-related lending programs serving low- and moderate-income borrowers throughout the assessment area. The bank developed its Affordable Housing Program (AHP) in 1998 which offers a below market interest rate, fixed for 30 years, with no points, reduced application fees and flexible underwriting (i.e. minimum 3% down payment). Over the evaluation period, WNB has originated 13 loans totaling \$788 thousand. Since inception, \$1.1 million in home purchase loans have been originated under the AHP program.

In 1998, WNB began participation in the FHLB of New York's First Home Club (FHC) program. Through the FHC, the bank provides a strong community development service to low- and moderate-income applicants who desire to participate in homeownership yet lack the necessary funds for the down payment and closing costs. The FHC provides funds for the down payment and closing costs. Through its membership with the FHLB, WNB obtains a \$3 subsidy from the FHLB for every \$1 saved up to a maximum amount of \$5 thousand in a dedicated savings club account for qualified low- and moderate-income homebuyers who meet HUD income guidelines.

Applicants must participate in the Savings Club for a minimum of 10 months, and up to a maximum of 30 months to achieve a specific amount of savings. Additionally, all applicants are required to complete the Homebuyer's Counseling Program and obtain financing through WNB. The program addresses a financial service need in the assessment area. Over the evaluation period, two FHC participants settled on their mortgages, and two individuals have completed the counseling program and are enrolled in the FHC program.

In 1999, the bank began participation in the "Ways to Work - Family Loan Program" (FLP) through the Family Service Association, a non-profit organization. FLP assists low-income individuals transitioning from welfare to work by providing low-interest loans ranging from \$500 to \$3 thousand to obtain or retain employment. Loans can be used to purchase cars, emergency needs, and childcare. The majority of the loans placed to date have been to purchase secondhand automobiles. WNB is one of 11 banks participating in the FLP. Each bank set aside monies to fund the loans through this program. WNB's share of the loan pool is \$25 thousand. To date, one loan totaling \$3 thousand has been funded under this program.

Additionally, WNB participates in the VA and FHA Mortgage Program (FHA). The FHA provides low- and moderate-income borrowers affordable home mortgage financing with flexible underwriting. To date, no loans have closed under the program.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated "**High Satisfactory.**" Based on a full-scope review, the bank's performance in the New Jersey portion of MSA 6160 is good.

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, WNB made 18 investments totaling \$2.4 million in the bank's assessment area. The level of investment is good. We determined through community contacts and discussion with management that opportunities for community development are limited to mortgage-backed securities, affordable housing bonds and affordable housing programs, small business loan funds, and grants to qualified community development organizations.

The bank's investments are made to an array of enterprises, which consist of affordable housing investments to nonprofit organizations, nonprofit community service organization, economic development authority for business development, and small business loan funds. These investments are responsive to identified credit needs for affordable home mortgage loans and housing development to low- and moderate-income areas and loans to small businesses. None of the investments made during the evaluation period are considered innovative or complex. All of the following investments are within the bank's assessment area.

**Mortgage-Backed Securities** - WNB purchased nine CRA eligible mortgage-backed securities totaling \$1.9 million. The securities are backed by various loans originated within the bank's assessment area primarily to low- and moderate-income borrowers.

**Clayton Providence House at Clayton Mews** - WNB invested \$300 thousand in the construction of this affordable housing project through the FHLB of New York. The total development cost of the project is \$10.9 million. The project will provide 101 housing units to very low-income senior citizens when completed. Construction is scheduled to begin in 2001.

**Gloucester County Housing Development Corporation Revenue Bond (GCHDC)** - WNB purchased a \$200 thousand mortgage refunding revenue bond from GCHDC. The bond issue financed Woodlake Apartments; a development supported by HUD Section 8 subsidy. The rental units are income restricted



to tenants whose income is less than 80% of the MSA median family income.

**Qualified Grants** - During the evaluation period, WNB also provided 7 grants totaling \$36 thousand to organizations that help provide affordable housing and community services to low- and moderate-income individuals and finance small businesses.

A prior period investment of \$100 thousand represents a 10% equity investment in the Delsea View Senior Assisted Living Complex - a housing project for senior citizens with low income as determined by HUD guidelines.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated "**Low Satisfactory**". Based on a full-scope review, the bank's performance in the New Jersey portion of MSA 6160 is adequate.

### **Retail Banking Services**

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

WNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment area. WNB provides banking services throughout the assessment area with eight branch locations. All of the branches are located within middle-income geographies and exceed the distribution of the population living in middle-income geographies. The majority of the population resides within middle-income (71%) and upper-income (19%) geographies.

No branches are located in low- and moderate-income geographies. Less than 1% of the population resides in low-income geographies and 9% of the population resides in moderate-income geographies. Four branch offices are located in close proximity to low- and moderate-income geographies. Based on the bank's own analysis, the Sharptown and Mannington branches in Salem County and the Swedesboro, and Sewell branches in Gloucester County are each located in distances ranging from one to five miles from the low- and moderate-income geographies within the assessment area. Branch activity reflects continued bank expansion and no branch closings. One branch was opened during the evaluation period, in a middle-income geography.

WNB's banking hours and services offered throughout the assessment area are good and do not materially inconvenience low- and moderate-income individuals living within the assessment area. All branches are full-service, including the availability of loan officers for all loan products. Banking hours and services are provided Monday through Friday, with extended hours on Thursday to 6:00 PM and Friday to 7:00 PM. These hours are supplemented by Saturday hours at all locations.

WNB offers a variety of products and services targeted to meet the needs of the assessment area, including low- and moderate-income customers. The bank offers a Special Checking Account that benefits low- and moderate-income individuals. This reduced fee, non-interest bearing account allows customers to maintain accounts with no minimum balance. The bank also offers a no fee savings and checking accounts tailored to senior citizens age 62 and over.

WNB provides an effective alternative delivery system for delivering retail banking services to its customer base including ATMs and drive up facilities at each branch location. As previously noted, four of the branches are located within one to five miles from low- and moderate-income geographies within the assessment area. Additionally, in 1999, WNB installed a free standing ATM at the Memorial Hospital of Salem County, which is located within one mile from the City of Salem, a low-income geography. Customers can use ATM and debit cards at any WNB and Fulton Financial Corporation location having access to the MAC networks without any service charges by WNB. Customers can also access any ATM nationwide that participates in the PLUS/VISA and Honor network for a fee.

Alternative delivery systems also include 24-hour telephone banking services and Internet banking. This allows customers to obtain loan and deposit account balance inquiries, make payments on WNB loans, transfer funds, and an optional bill payment service for a monthly fee. Internet banking services include account inquiries, retrieving account statements, funds transfer, and bill payment service for a monthly fee. The bank does not track these services to determine how they impact low- and moderate-income individuals and geographies. Therefore, we did not place any significant weight on alternative delivery systems when arriving at our overall conclusion under the Service Test.

## **Community Development Services**

WNB provides an adequate level of community development services to a variety of organizations within the assessment area.

Major highlights of community development service activities provided by WNB employees during the evaluation period include:

**Genesis Housing Corporation** - A WNB officer coordinates mortgage lending workshops with Genesis and also handles the bank's Affordable Housing Program. This non-profit organization provides home ownership counseling to low- and moderate-income first time homebuyers. WNB assists the agency in funding, participating in, and marketing home buying seminars offered by Genesis and the bank. The advertisements will be shown on local television within the assessment area and on cable stations such as TBS, USA, Lifetime and Nick at Nite.

**Tri-County Community Agency, Inc.** - A WNB officer serves as a member of the Board of Trustees. Prior to the senior officer's appointment, WNB's Chairman of the Board of Directors served two terms as Chairman of the Board of Trustee for this organization. This non-profit organization plays a pivotal role in community development services within the WNB's assessment area. Tri-County works with Genesis Housing Corporation by purchasing and rehabilitating homes for sale to low- and moderate-income individuals. Tri-County provides credit and home ownership counseling for prospective low- and moderate-income borrowers and entrepreneurial training to small businesses. Tri-County also provides funding to start-up businesses located in the assessment area.

**Rutgers University Small Business Development Center** - A Senior Lending/CRA Officer serves as a faculty member and provides educational seminars on small business lending.

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (July 1, 1998 to December 30, 2000) Investment and Service Tests and CD Loans: (August 18, 1998 to January 9, 2001)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Woodstown National Bank and Trust Company ("WNB") Woodstown, New Jersey		Home mortgages, small business loans, small farm loans, and CD loans.
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Salem and Gloucester Counties in the Philadelphia, PA /Atlantic City, NJ CMSA #6160	Full-Scope	None

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Salem and Gloucester Counties .....	B-2
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## Salem and Gloucester Counties in the Philadelphia, PA/Atlantic City, NJ CMSA

Demographic Information for Full-Scope Area: CMSA #6160						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	83	1%	10%	71%	16%	2%
Population by Geography	295,376	1%	9%	71%	19%	0%
Owner-Occupied Housing by Geography	78,986	0%	7%	73%	20%	0%
Businesses by Geography	10,748	1%	12%	68%	19%	0%
Farms by Geography	576	1%	5%	76%	18%	0%
Family Distribution by Income Level	79,112	17%	18%	27%	38%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	27,604	2%	14%	72%	12%	0%
Median Family Income	= \$41,908	Median Housing Value		= \$99,212		
HUD Adjusted Median Family Income for 2000	= \$57,800	Unemployment Rate		= 3.72%		
Households Below the Poverty Level	= 10.29%					

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

Source: 1990 U.S. Census, and 2000 HUD updated MFI.

WNB has one defined assessment area, which includes all of Salem and Gloucester Counties. The assessment area is part of the New Jersey portion of MSA 6160. The area is comprised of 83 contiguous census tracts with 60 tracts in Gloucester County and 23 tracts in Salem County. Of the 83 tracts, 1 is low-income (1%), 8 are moderate-income (10%), 59 are middle-income (71%), 13 are upper-income (16%), and 2 tracts are not rated (2%). The assessment area is located within 20 miles of highly urbanized Philadelphia, PA. WNB has eight offices located throughout the assessment area. As of September 30, 2000, 100% of WNB's deposits were derived from the assessment area. Over the evaluation period, 91% of the home mortgage loans, 77% of small loans to businesses, and 96% of small loans to farms were within the assessment area.

As of September 30, 2000, WNB had total deposits of \$256 million. Based on FDIC deposit market share data as of June 30, 2000, this equates to an 8% market share, which ranks WNB as the 5<sup>th</sup> largest deposit taking institution in their assessment area. WNB also serves the assessment area with nine ATMs. The ATMs are located at each WNB branch office and a free-standing ATM is located at the Memorial Hospital of Salem County in Mannington Twp., NJ, a middle-income census tract within one mile from the City of Salem, a low-income census tract. Three regional banks (Commerce Bank N.A., Summit Bank, and First Union) dominate the market in terms of deposit market share with a 34% market share, followed by an affiliate, the Bank of Gloucester County with a 9% market share.

The landscape of the assessment area ranges from rural to urban concentrations. Salem County is one of two leading agricultural counties in New Jersey, while retail trade and manufacturing industries are centered in Gloucester County where the bank has a majority of its activity.

Gloucester County is a rapidly developing region in southern New Jersey. The estimated population growth rate of 9% over the past ten years is well above the estimated increase for the state of 4% for the same period. A good level of new home building is slated for construction over the next several years.

The unemployment level for the assessment area is 3.7%. This is below the State average rate of 4.0%. Employment growth in light industry and construction is certain, with slight gains in the service sector and manufacturing remaining stable. Major employers include Mannington Mills, DuPont, PSE&G, Memorial Hospital of Salem County, Conectiv and several community banks.

The assessment area has a total population of 295,376, which includes 79,112 families and 102,559 households. As indicated in the above table, 10.29% of the households within the assessment area are below the poverty level. The median family income of the assessment area is \$41,908. The updated family income per HUD guidelines is \$57,800. Housing units total 107,808 of which 78,986 or 73% are owner occupied, 23,653 or 22% are rental occupied, and 5,169 or 5% are vacant. The median housing value is \$99 thousand and the median age of the housing stock is 38 years.

Based on the demographics of the assessment area, the identified needs of more affordable housing, small business financing and community development needs exists in the assessment area. A good level of community resources and opportunities for partnerships exist to facilitate activities to address the unmet credit and community development needs of the assessment area. These conclusions are based on our review of CRA performance evaluations of other banks operating in the assessment area. Community resources and opportunities for partnerships exists with nonprofit housing organizations, community service organizations, small business development centers and small business micro-loan funds that serve the assessment area. Competition for community development loans, investments and services in the assessment area is strong.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

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



Charter Number: 10000011734

**Table 1. Lending Volume**

LENDING VOLUME												Evaluation Period: 06/30/1998 TO 12/31/2000	
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
<b>Full Scope</b>													
NJ Portion MSA 6160	100	541	40,021	193	40,787	25	556	5	239	764	81,603	100.00	

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\* Deposit Data as of June 30, 2000

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																Evaluation Period: 06/30/1998 TO 12/31/2000															
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**															
<b>Full Scope</b>																															
NJ Portion MSA 6160	0	1	7	5	73	79	20	15	27	0.9	0.0	0.9	1.1	0.4	149	100															

\* Based on 1999 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.

Charter Number: 1000011734

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT																	Evaluation Period: 06/30/1998 TO 12/31/2000																
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**																
<b>Full Scope</b>																																	
NJ Portion	CMS 6160	0	1	7	6	73	89	20	5	10	3.4	0.0	1.9	4.4	0.7	159	100																

\* Based on 1999 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.

Charter Number: 1000011734

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 06/30/1998 TO 12/31/2000						
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**
<b>Full Scope</b>																
NJ Portion MSA 6160	0	0	7	7	73	84	20	9	13	1.8	0.0	1.6	2.1	1.0	233	100

\* Based on 1999 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.

Charter Number: 1000011734

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL BUSINESS																
Evaluation Period: 06/30/1998 TO 12/31/2000																
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**
<b>Full Scope</b>																
NJ Portion MSA 6160	0	1	12	9	68	76	19	15	6	4.4	0.0	5.6	4.5	3.7	193	100

\* Based on 1999 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**

Geographic Distribution: SMALL FARM		Evaluation Period: 06/30/1998 TO 12/31/2000														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans 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**
<b>Full Scope</b>																
NJ Portion MSA 6160	0	0	5	0	76	92	18	8	1	45.8	0.0	0.0	47.5	44.4	25	100

\* Based on 1999 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.

Charter Number: 1000011734

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 06/30/1998 TO 12/31/2000						
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
<b>Full Scope</b>																
NJ Portion MSA 6160	17	11	18	25	27	21	38	38	27	0.9	1.9	1.5	0.6	1.1	149	100

\* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Charter Number: 1000011734

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 06/30/1998 TO 12/31/2000						
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
<b>Full Scope</b>																
NJ Portion MSA 6160	17	11	18	14	27	26	38	46	10	3.4	3.9	3.7	2.3	4.0	159	100

\* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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



Charter Number: 1000011734

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 06/30/1998 TO 12/31/2000						
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
NJ Portion MSA 6160	17	6	18	17	27	26	38	49	13	1.8	1.6	2.3	1.9	2.7	233	100

\* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Charter Number: 1000011734

**Table10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL BUSINESS			Evaluation Period: 06/30/1998 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>		Total Small Business Loans	
	% Business <sup>**</sup>	% Bank Loans <sup>***</sup>	% Market Loans <sup>*</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
<b>Full Scope</b>										
NJ Portion MSA 6160	85	100	56	70	19	11	4.4	5.5	193	100

<sup>\*</sup> The market consists of all other Small Business reporters in the bank's assessment area and is based on 1999 Aggregate Small Business Data only

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

<sup>\*\*\*</sup> Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM			Evaluation Period: 06/30/1998 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>		Total Small Farm Loans	
	% Farms <sup>**</sup>	% Bank Loans <sup>***</sup>	% Market Loans <sup>*</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
<b>Full Scope</b>										
NJ Portion MSA 6160	93	7	54	100	0	0	45.8	45.8	1125	100

<sup>\*</sup> The market consists of all other Small Farm reporters in the bank's assessment area and is based on 1999 Aggregate Small Business Data only

<sup>\*\*</sup> As a Percentage of Farms with known revenues.

<sup>\*\*\*</sup> As a percentage of loans with borrower income information available.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS		Evaluation Period: 08/18/1998 TO 1/09/2001							
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Scope</b>									
NJ Portion MSA 6160	1	100	18	2,450	19	2,550	100	0	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 and ATM Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																	Evaluation Period: 08/18/1998 TO 1/9/2001			
MSA/Assessment 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 Each Geography*						
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
<b>Full Scope</b>																				
NJ Portion MSA 6160	100	8	100	0.00	0.00	100	0.00	0	1	0.00	0.00	1	0.00	0.85	9.13	70.65	19.37			

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