



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

Public Disclosure

July 13, 2009

Community Reinvestment Act  
**Performance Evaluation**

Sun National Bank  
Charter Number: 18606

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Office of the Comptroller of the Currency

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

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## Overall CRA Rating

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

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- SNB’s lending activity is good, given the bank’s size, resources, and competition in the bank’s major markets.
- Overall, geographic distribution of loans is good.
- Overall, borrower distribution of loans is adequate.
- A substantial majority of SNB’s loans were originated in the assessment area.
- Community development lending had a positive impact.
- Overall, SNB has made a significant level of qualified investments.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- SNB provides a good level of community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5

million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a State or multi-State metropolitan area. For an institution with domestic branches in only one State, the institution's CRA rating would be the State rating. If an institution maintains domestic branches in more than one State, the institution will receive a rating for each State in which those branches are located. If an institution maintains domestic branches in two or more States within a multi-State metropolitan area, the institution will receive a rating for the multi-State metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Sun National Bank (SNB), chartered and headquartered in Vineland, New Jersey, is a \$3.6 billion interState community bank offering a wide array of loan and deposit products within the New Jersey and Delaware markets. SNB is a wholly owned subsidiary of Sun Bancorp Inc. ("Bancorp"), a one-bank holding company with total assets of \$3.6 billion.

SNB has five wholly owned subsidiaries: 2020 Properties LLC., which holds certain loans, judgments, real estate and other assets acquired in satisfaction of debts previously contracted by the bank, Sun Financial Services LLC, which is engaged in life and insurance annuity sales, Med-Vine Inc., a holding company for SNB's investment securities, Sun Home Loans, Inc., an originator and seller of home mortgage loans acquired March 8, 2006; and Del-Vine, Inc, incorporated 3/12/2007, holds loan participations originated at Sun National Bank or other lending institutions. Sun Home Loans, Inc.'s reportable Home Mortgage Disclosure Act home mortgages are considered in this evaluation as are any qualified community development investments held at Med-Vine. The other subsidiaries are not considered in this evaluation and do not impact the bank's capacity for community reinvestment.

The Issuing Trusts subsidiaries of Bancorp, Sun Capital Trust V, Sun Capital Trust VI, Sun Capital Trust VII, Sun Statutory Trust VII, Sun Capital Trust VIII, and CBNJ Trust are not considered in this evaluation.

During the evaluation period, the number of branches declined as the bank divested offices in Philadelphia, Delaware and New Jersey. In March 2007, SNB divested the one branch in Philadelphia, Pennsylvania, the only branch in MSA 37980. In September 2007, one branch in both the Edison-New Brunswick MD 20764 and Trenton-Ewing MSA 45940 were divested. In October 2008, the existing six branches in Wilmington, Delaware, MSA 48864, were sold. In September 2008, SNB changed a full service branch to a limited service branch in Wilmington, Delaware which accepts deposits and makes commercial loans but does not offer cash transactions. These nine divestures, combined with the opening of six branches and consolidation of nine branches decreased SNB's branch network from 80 to 68. Besides the divestiture of the only Philadelphia, Pennsylvania branch, all the other branch changes occurred within the bank's designated assessment area; therefore, SNB did not change their designated assessment area during the evaluation period. The branch activities are fully discussed in the Service Test section of this Evaluation.

SNB remains a community bank with a primary focus on serving the retail and commercial needs of its markets. SNB remains a Preferred Lender in the New Jersey, Philadelphia, Pennsylvania, and Delaware area by the U.S. Small Business Administration (SBA). As a result, SNB has the authority in approving and closing SBA loan applications and offering businesses SBA Express loans. In 2008, SNB provided small business owners throughout New Jersey with 31 SBA loans worth \$17.1 million. This places SNB in the top five SBA lenders in New Jersey for dollar volume of SBA loans.

As of March 31, 2009, net loans totaled \$2.3 billion or 74% of total assets. The loan portfolio is broken down as follows by number and percentage of gross loans: commercial real estate loans total \$1.5 billion or 55%, commercial and industrial loans total \$426 million or 15%, residential real estate loans total \$487 million or 18%, construction and development loans



total \$237 million or 9%, consumer loans total \$56 million or 2%, and all other loans \$16 million or 1%. Net Tier 1 capital was \$308 million as of March 31, 2009.

Competition is intense within the major markets that the bank operates. SNB competes with several local, large regional and multinational institutions and mortgage companies for both mortgage and small business lending opportunities to the low- and moderate-income individuals and geographies throughout the bank's assessment area. SNB's primary residential mortgage competitors based upon 2007 market share data include Countrywide Bank, FSB, Countrywide Home Loans, Bank of America, N.A., Wells Fargo Bank, N.A., and JPMorgan Chase Bank. On the deposit side, primary competitors include Wachovia Bank National Association, TD Bank National Association, PNC Bank National Association, Bank of America, N.A., and Sovereign Bank.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AA.

SNB was rated "Satisfactory" at its last CRA evaluation dated July 17, 2006.

Community credit needs and opportunities are discussed in the respective Market profiles in Appendix C.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, with the exception of community development (CD) loans, is from January 1, 2006 to March 31, 2009. This Evaluation Period uses the Census 2000 demographic information and the revised Metropolitan Statistical Areas (MSA) boundaries as defined by the U.S. Office of Management and Budget (OMB).

Conclusions regarding the bank's lending performance are based on small business and HMDA reportable loans from January 1, 2006 through March 31, 2009. There were a minimal number of small loans to farms. Therefore, an analysis would not be meaningful and was not performed. Similarly, there were a minimal number of multifamily loans. Therefore, an analysis would not be meaningful and was not performed. The Lending Tables for both small loans to farms and multifamily loans have been eliminated.

For the CD Loans, Investment, and Service Tests, the evaluation period is July 18, 2006 to July 13, 2009. The Investment Test included a review of investments, grants, and donations made in the bank's AAs that meet the definition of community development. Any qualified investments originated in prior periods and still outstanding at July 13, 2009 were given appropriate consideration. The Service Test included a review of retail and community development services provided in the bank's AAs. The bank's investments and retail services were evaluated using Census 2000 demographic data and the revised MSA boundaries.

### Data Integrity

SNB's publicly filed information for Home Mortgage Disclosure Act (HMDA) reportable loans and small loans to businesses were tested for accuracy. Results of this testing evidenced the data is sufficiently accurate for purposes of this CRA evaluation.

Community Development (CD) loans, investments and services submitted by management were also verified to ensure that they met the regulatory definition for community development.

### Selection of Areas for Full-Scope Review

In each State where the bank has an office, a sample of assessment areas (AAs) within that State was selected for full-scope reviews. Refer to the "Scope" section under the New Jersey State Rating for details regarding how the areas were selected.

Every MultiState metropolitan area in which the bank has branches in more than one State received at least one full-scope review. Refer to the "Scope" section under the MultiState metropolitan area for details regarding how the areas were selected.

### Ratings

The bank's overall rating is a blend of the MultiState metropolitan area rating and the New Jersey State rating. The New Jersey State rating was more heavily weighted in arriving at the

overall rating since that is where a majority of the bank's overall lending activities, deposits, and branches are located.

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

The Lending Test was more heavily weighted than the Investment or Service Test. Overall, SNB's record of originating small loans to businesses was equally weighted with its record of originating residential mortgage loans because approximately 50% of the number was originated to both types of loans. However, in the Multi-State, more weight was placed on home mortgage while in the state of New Jersey more weight was placed on small loans to businesses due to volume considerations. In regards to home mortgage lending, we placed more weight on home refinance lending than home purchase and home improvement lending. Home refinance lending accounted for 45% of the number and 59% of the dollar amount of all home mortgage originations.

Our conclusions related to community development loans and qualified investments were based on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs and the degree to which these instruments are not routinely provided by private investors.

Our conclusions regarding the community development services were based on the number of services performed, the number of people providing services, and the type of services performed.

## Fair Lending Review

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

## MultiState Metropolitan Area Rating

### Philadelphia-Camden-Wilmington MultiState Metropolitan Area

CRA rating for the Philadelphia-Camden-Wilmington MultiState Metropolitan Area<sup>1</sup>:

**Satisfactory**

**The lending test is rated: High Satisfactory**

**The investment test is rated: High Satisfactory**

**The service test is rated: High Satisfactory**

The major factors that support this rating include:

- Overall, geographic distribution of loans is good.
- Overall, borrower distribution of loans is good.
- SNB made a substantial majority of its loans in the combined AAs.
- CD lending had a positive impact.
- SNB's lending activity is good, given the bank's size, resources, and competition in the bank's major markets.
- SNB has a significant level of qualified investments and exhibits a good responsiveness to the credit and community economic development needs of the various assessment areas.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Bank management and employees provide a good level of community development services.

### Description of Institution's Operations in Philadelphia-Camden-Wilmington MultiState Metropolitan Area

SNB has two assessment areas within the Philadelphia-Camden-Wilmington MultiState Metropolitan Area #37980.

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<sup>1</sup> This rating reflects performance within the multiState metropolitan area. The Statewide evaluations do not reflect performance in the parts of those States contained within the multiState metropolitan area.

Refer to the market profile within the Philadelphia-Camden-Wilmington MultiState Metropolitan Area in appendix C for detailed demographics and other performance context information for the full-scope Camden MD.

### **Camden MD – (15084)**

There are a total of 318 census tracts within this MD, including 19 low-income tracts and 49 moderate-income tracts. As of the 2000 Census, the Camden MD had a total population of 1.2 million. The 2009 HUD updated adjusted average median family income for the area for the area is \$82,800. Owner-occupied housing units comprise 71 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 3 percent and 9 percent, respectively. Approximately 7 percent of households are below the poverty level.

There are a total of 12 branches located in the Camden MD, accounting for 75 percent of the total number of branches in the MSA. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 9th out of 41 institutions with a 2.03 percent market share. Banks with higher market share include TD Bank National Association, Bank of America, NA, Wachovia Bank National Association, and PNC Bank National Association

### **Wilmington MD – (48864)**

There are a total of 151 census tracts within this MD, including 12 low-income tracts and 28 moderate-income census tracts. As of the 2000 Census, the Wilmington MD had a total population of 565 thousand. The 2009 HUD updated adjusted average median family income for the area is \$78,900. Owner occupied housing units comprise 67 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 2 percent and 15 percent, respectively. Approximately 8 percent of households are below the poverty level.

There are 4 branches in the Wilmington MD, which accounts for 25 percent of the branches in the MSA. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 20<sup>th</sup> out of 38 institutions with a 0.12% percent market share. Banks ranked ahead of SNB include ING FSB, Chase Bank USA, NA, Lehman Brothers Bank, HSBC Bank USA National Association, and Wilmington Trust Company.

## **Scope of Evaluation in the Philadelphia-Camden-Wilmington MultiState Metropolitan Area**

### **Philadelphia-Camden-Wilmington MultiState Metropolitan Area (37980)**

SNB's MultiState Metropolitan Area contains the following two MDs, which are considered separate AAs and are analyzed separately.

- The Camden MD (15804), which includes all of Burlington, Camden, and Gloucester Counties in New Jersey.
- The Wilmington MD (48864), which includes all of New Castle County in Delaware and all of Salem County in New Jersey.

For every MultiState Metropolitan area in which the bank has branches in more than one State, at least one full-scope review must be performed. The bank's overall MultiState Rating is a blend of the two MDs.

The Camden MD (15804) was selected for the full scope review. In the MultiState Metropolitan Area, approximately 72% of bank deposits, approximately 77% of home mortgage lending, and approximately 72% of small loans to businesses by dollar amount were originated in this MD.

The Wilmington MD (48864) was selected for limited scope review. In the MultiState Metropolitan Area, approximately 28% of deposits, 23% of home mortgage lending, and approximately 27% of small loans to businesses by dollar amount were originated in this MD.

## **LENDING TEST**

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

The bank's performance under the lending test in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area (MSA) is "High Satisfactory". Based on a full-scope review, the bank's performance in the Camden, NJ Metropolitan Division (MD) is good.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the "Multi-State Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the bank's lending activity.

### **Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multi-State MSA—Camden, NJ MD (15804)**

#### ***Home Mortgage Loans***

SNB's mortgage lending penetration is adequate when considering the strong competition from nationwide lenders who are active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Approximately 21 percent of all home mortgage loans and approximately 12 percent of small loans to businesses were originated in the Camden, NJ MD. Among home mortgage loan originations, approximately 46 percent (by count) were home refinance loans, 31 percent (by count) were home improvement loans, and 23 percent (by count) were home purchase loans.

Based on 2007 market share data for all home mortgage lending, SNB ranks 75<sup>th</sup> out of 541 lenders in the Camden, NJ MD with a market share of 0.15 percent. The top five lenders in the MD are all large nationwide banks and mortgage companies. Collectively, these five large institutions capture 34 percent of the market.

Based on this same 2007 HMDA aggregate data, SNB ranked 76<sup>th</sup> out of 380 lenders in the MD with a 0.15 percent market share in home purchase lending, 31<sup>st</sup> out of 204 lenders in the

MD with a 0.75 percent market share in home improvement lending, and 77<sup>th</sup> out of 432 lenders in the MD with a 0.33 percent market share in home refinance lending.

### ***Small Loans to Businesses***

Based upon the 2007 CRA aggregate data, SNB ranked 24<sup>th</sup> out of 113 lenders with a market share of 0.23 percent based upon number of loans. The top five national banks and credit card lenders captured 75 percent of the market share by count. The competition in this MD is strong, but SNB's level of penetration is considered adequate.

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

The overall geographic distribution of home mortgage loans is good considering the fierce competition from significantly larger institutions and the limited opportunities for lending in low- and moderate-income geographies. The overall geographic distribution of small loans to businesses is also good.

During our evaluation period, home mortgage lending opportunities were limited in the Camden, NJ MD given that only 3 percent of owner-occupied units were located in low-income geographies and only 9 percent of owner-occupied units were located in moderate-income geographies. Similarly, only 4 percent of businesses were located in low-income geographies and only 11 percent of businesses were located in moderate-income geographies.

Further, SNB is competing against much larger nationwide and regional institutions for these limited lending opportunities.

### **Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multi-State MSA—Camden, NJ MD (15804)**

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the "Multi-State Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Home Purchase Lending**

The geographic distribution of home purchase loans is good. The percentage of lending in low-income geographies is lower than the percentage of owner-occupied housing in these geographies. However, the percentage of lending in the moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. Meanwhile, SNB's market share for low-income geographies is near to its overall market share, and SNB's market share for moderate-income geographies exceeds its overall market share.

#### **Home Improvement Lending**

The geographic distribution of home improvement loans is good. The percentage of home improvement lending in low-income geographies is lower than the percentage of owner-occupied housing in these geographies. However, the percentage of lending in the moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in low-income tracts is somewhat lower than its overall



market share. SNB’s market share in moderate-income tracts is near to its overall market share.

**Home Refinance Lending**

The geographic distribution of home refinance loans is adequate. There were no home refinance loan originations in low-income geographies. However, the percentage of lending in the moderate-income geographies is near to the percentage of owner-occupied housing in these geographies. SNB’s market share in moderate-income tracts exceeds its overall market share.

The opportunity to lend within low-income geographies is very limited in the Camden, NJ MD. According to the 2007 market share data, the top five lenders controlled over 36 percent of the total market share. These lenders are comprised of large nationwide banks and mortgage companies. Their large sizes and regional scope make it difficult for an institution of SNB’s size to compete for market share.

**Small Loans to Businesses**

Refer to Table 6 in the "Multi-State Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s origination/purchase of small loans to businesses.

Geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low-income geographies is near to the percentage of businesses in these geographies, and the percentage of small loans to businesses in moderate-income geographies is near to the percentage of businesses in these geographies. SNB’s market share of small loans to businesses exceeds its overall market share in both low- and moderate-income geographies.

**Lending Gap Analysis**

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in lending patterns.

**Inside/Outside Ratio**

This portion of the evaluation was performed at the bank level. During the evaluation period, SNB originated a substantial majority of its loans in the combined AAs (86% by count and 80% by dollar amount).

During the evaluation period, the number and dollar amount of each individual loan product are as follows:

Type of Loan	% within AAs (by count)	% within AAs (by dollar)
Home Purchase	68.7	66.4
Home Refinance	90.9	86.4
Home Improvement	98.3	97.2
Small Loans to Businesses	85.9	79.5

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 distribution of home mortgage loans by income level of the borrower is good. The borrower distribution of small loans to businesses is adequate.

In our analysis, we considered the lack of affordability for a low-income individual or family to purchase a home. This lack of affordability limits the opportunities for home purchase, home improvement, and home refinance lending to low-income individuals or families.

During the evaluation period, the weighted average of median housing value for the Camden, NJ MD was \$121,422 and a low-income individual or family earned less than \$39,150. Further, 7 percent of the households within the MD were below the poverty level and are considered very low-income.

### **Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multi-State MSA—Camden, NJ MD (15804)**

#### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the “Multi-State Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the borrower distribution of the bank’s home mortgage loan originations and purchases.

#### **Home Purchase Lending**

Borrower distribution of home purchase loans is excellent. The percentage of loans originated to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans originated to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA. SNB’s market share for both low- and moderate-income borrowers exceeds its overall market share.

#### **Home Improvement Lending**

Borrower distribution of home improvement loans is good. The percentage of loans originated to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. SNB’s market share for low-income borrowers exceeds its overall market share, while SNB’s market share for moderate-income borrowers is near to its overall market share.

#### **Home Refinance Lending**

Borrower distribution of home refinance loans is good. The percentage of loans originated to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. SNB’s market share for low-income borrowers equals its overall market share, while SNB’s market share for moderate-income borrowers is near to its overall market share.

### ***Small Loans to Businesses***

Refer to Table 11 in the “Multi-State Metropolitan Area(s)” section of appendix D 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 businesses is adequate when considering the distribution by size of loan and the strong competition from larger, nationwide lenders that offer small business credit cards.

The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) is lower than the percentage of businesses in the AA. SNB’s market share of lending to small businesses is somewhat lower than its overall market share. However, the distribution by size of loan shows that approximately 58% of the loan originations are for \$100,000 or less and 76% of the loan originations are for \$250,000 or less. This is a good indication that business lending is primarily to small businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the “Multi-State Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans.

Community development loans had a positive impact on the lending test for the Camden, NJ MD. SNB originated four loans during the evaluation totaling \$2.9 million. The first loan for \$2.4 million provided financing and fit out of two buildings into a New Worker Job Development Center providing job and skill training to members of the community. The center is located in a low-income geography and caters to primarily low- and moderate-income individuals. The second loan for \$125 thousand provided financing to purchase and renovate the building that houses the Camden County Women’s Center/Outreach. This organization provides community services focused on low- and moderate-income individuals and families. The third loan for \$75 thousand was to The Reinvestment Fund which is a non-profit organization that provides financing for neighborhood revitalization projects that create economic opportunities for low-wealth people and places in the Philadelphia area. The final \$250 thousand community development loan SNB made in the Camden, NJ MD was to the Cooperative Business Assistance Corporation which is a non-profit organization that provides financing to small businesses either located in or moving to the Philadelphia and Southern New Jersey areas.

Community development lending also had a positive impact on the lending test for the Wilmington, DE-NJ-MD MD. SNB originated thirteen loans for a total of \$450 thousand in the Wilmington, DE-NJ-MD MD that provided funding to a non profit organization (Delaware Community Investment Corporation) whose mission is to provide affordable housing in New Castle County, Delaware.

## **Product Innovation and Flexibility**

SNB makes use of innovative and flexible lending practices to address the specific credit needs of the community. For example, the bank offers an affordable home mortgage program titled “Sun Keys Affordable Mortgage Product.” This program allows borrowers to obtain 30-year fixed rate residential mortgages with higher loan to values (up to 97%) and no private mortgage insurance requirement. Additionally, the fixed interest rate is offered at a discount from 0.5% to 1.0% for low- and moderate-income borrowers. During the evaluation period, SNB originated 27 of these mortgages totaling \$4,748,914.

Another innovative program that SNB offers is titled “Operation Facelift.” This program provides construction financing to small business owners in Vineland NJ’s downtown in order to improve the exterior and/or interior of their buildings. The census tract that comprises Vineland’s downtown is considered a low-income geography and the majority of residents are either low- or moderate-income. During the evaluation period, SNB originated 7 loans under the Operation Facelift program totaling \$685,420.

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

Based on a limited-scope review, the bank’s performance under the lending test in the Wilmington, DE-NJ-MD MD is stronger than the bank’s overall “High Satisfactory” performance under the lending test in the Camden, NJ MD. SNB’s performance in lending to both low-and-moderate income geographies and low- and moderate-income borrowers was stronger, and SNB’s Community Development lending in the Wilmington MD had a positive impact on the overall lending rating.

Refer to the Tables 1 through 11 in the multi-State section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank’s performance under the Investment Test in the Philadelphia-Camden-Wilmington MultiState Metropolitan Area is rated “High Satisfactory.” Based on a full-scope review, the bank’s performance in the Camden, MD is good.

Statewide and regional investments, grants, and donations were considered, in their entirety, in the MD they had potential to benefit. In cases where the investment, grant, or donation benefited more than one MD, the investment was considered, in its entirety, to benefit the MD designated by management. The prior period investments that were previously allocated are also considered to benefit the MD designated by management.

Refer to Table 14 in the “MultiState Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

**Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multi-State MSA—Camden, NJ MD (15804)**

SNB has a significant level of qualified investments and grants and exhibited a good responsiveness to meeting the identified needs of the area.

During the evaluation period, a total of \$4.2 million in funds were dispersed in this MD. SNB invested in three mortgage-backed securities (MBS) totaling \$4.2 million. The mortgages collateralizing these MBSs were originated to low- and moderate-income families primarily in Burlington, Camden, and Gloucester counties. However, some mortgages were originated to low- and moderate-income borrowers in other MSAs or MDs and as such these MBS benefit a broader Statewide/regional area. Management designated these investments to the Camden MD due to the highest volume of loans in this MD. These investments will be reflected on the Statewide/Regional Investment line in the investment tables.

SNB made four grants and donations for a total of \$2 thousand to four organizations that provide economic development, affordable housing, and community services to low- and moderate-income individuals. Three of these donations for a total of \$2 thousand are reflected on the Statewide/Regional Investment line in the investment tables.

**Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Wilmington MD is not inconsistent with the Camden MD's overall "High Satisfactory" performance. The primary investment is a \$1 million capital investment in a SBIC lending to small businesses.

Refer to the Table 14 in appendix D for the facts and data that support these conclusions.

**SERVICE TEST**

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

The bank's performance under the service test in the Philadelphia-Camden-Wilmington MultiState Metropolitan Area is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Camden MD is good.

**Retail Banking Services**

Refer to Table 15 in the "MultiState Metropolitan Area(s)" 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.

SNB's delivery systems are accessible to geographies and individuals of different income levels in the Camden MD. SNB operates 12 of its 68 branches within the Camden MD. Of these 12 branches, none were located in low-income geographies, one was located in a

moderate-income geography, ten were located in middle-income geographies, and one was located in an upper-income geography.

As a percentage of the total number of branches, 0% of the branches were located in low-income geographies where 6% of the population resides, and 8.33% of the branches were located in moderate-income geographies where 12.38% of the population resides. Consequently, the distribution of SNB's branches in low- and moderate-income geographies is below the percentage of the population residing in such geographies.

Although there is only one branch office physically located in a moderate-income geography, SNB does have six branches that are physically located in middle-income geographies but are either adjacent to or in close proximity to three low-income and fourteen moderate-income geographies. Including these branches, 16.67% of the branches were located adjacent or near low-income geographies where 6% of the population resides. 58.33% of the branches were located in, adjacent to and in close proximity to moderate-income geographies where 12.38% of the population resides. Based upon these numbers, the distribution of SNB's branches exceeds the population residing in such geographies.

During the evaluation period, SNB didn't open or close any branches in the AA.

The bank's services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or low- and moderate-income individuals. All of the branches have extended hours of operation at least one day a week. All of the branches have Saturday hours and five of the branches have Sunday morning hours. Eleven of the branches offer drive-through services and nine locations are equipped with ATMs. A full line of traditional banking products and services are offered at all branches.

The bank offers alternative delivery systems in the form of ATMs, telephone and Internet banking. However, no weight was placed on these services because a determination of the volume of use in low- and moderate-income geographies and by low- and moderate-income individuals is unavailable.

## **Community Development Services**

SNB provides a relatively high level of CD services within the Camden MD. Bank management and employees provided their financial and technical expertise through their involvement in several qualified community organizations, and through their participation in several mortgage lending and financial literacy workshops. The community development services are responsive to the community development needs in the assessment area. Their community development services enhanced small business and economic development as well as affordable housing and enhanced services targeted to low- and moderate-income individuals and families. The following is a list of CD services that were provided in the Camden MD during the evaluation period.

SNB offered a Basic Checking Package. This no cost checking account increases access to financial services for low- or moderate-income individuals. Of the approximately 16 thousand accounts, 17% were established in this MD.

- One officer served on the loan committee and another on the Board for a local non-profit partnership whose mission is to encourage growth and stability of the small business sector.
- One officer provided financial expertise by serving on the affordable housing committee and the commercial real estate committee of a local community development financial institution. The mission of this organization is to alleviate poverty, provide affordable housing for low- and moderate-income individuals and revitalize low- and moderate-income neighborhoods.
- Two employees served as Committee Members on two different non-profits to determine allocation of funds to non-profit organizations serving low- and moderate-income individuals.
- One employee served on the Board of Directors on advisory council that promotes economic development by assisting in marketing financial services.
- One officer served on the Board of Directors for a non-profit organization whose goal is to eliminate hunger and malnutrition by serving low- and moderate-income individuals.
- One employee conducted three mortgage lending workshops for low- and moderate-income attendees involved with a non-profit providing affordable housing.
- One officer conducted financial literacy training at high school attended predominately by low- and moderate-income students.

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

Based on limited-scope review, the bank's performance under the service test in the Wilmington MD is not inconsistent with the bank's overall "High Satisfactory" performance under the service test in the Philadelphia-Camden-Wilmington MultiState Metropolitan Area.

Refer to Table 15 in the "MultiState Metropolitan Area(s)" 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.

## State Rating

### State of New Jersey

#### CRA Rating for New Jersey<sup>2</sup>: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include:

- SNB's lending activity is good, given the bank's size, resources, and competition in the bank's major markets.
- Overall, geographic distribution of loans is good.
- Overall, borrower distribution of loans is adequate.
- CD lending had a positive impact.
- Overall, community development investments reflect a good responsiveness to the needs of the various assessment areas with a significant level of qualified community development investments.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Overall, bank management and employees provide a good level of community development services.

### Description of Institution's Operations in New Jersey

Based on the revised boundaries, there are a total of six assessment areas within the state of New Jersey. The following highlights the profiles of each of the AAs for the Evaluation Period.

Refer to the market profiles for the state of New Jersey in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

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<sup>2</sup> For institutions with branches in two or more States in a multiState metropolitan area, this Statewide evaluation does not reflect performance in the parts of this State contained within the multiState metropolitan area. Refer to the multiState metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.



**Edison, NJ MD (20764) – Evaluation Period**

There are a total of 496 census tracts within this MD, including 23 low-income tracts and 91 moderate-income tracts. As of the 2000 Census, there was a total population of 2.2 million. The 2009 HUD updated adjusted median family income for the area is \$92,700. Owner-occupied housing units comprise 68 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 4 and 15 percent, respectively. Approximately 6 percent of households are below the poverty level.

There are a total of 21 branches in the Edison MD, accounting for 40% of the total branches in the state of New Jersey. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 14 out of 60 institutions in the Edison MD with a 1.28% market share. Banks that rank above SNB include Wachovia Bank National Association, TD Bank National Association, PNC Bank National Association, Bank of America, NA, and Sovereign Bank.

**Atlantic City, NJ MSA (12100) – Evaluation Period**

There are a total of 63 census tracts within this MSA, including 4 low-income tracts and 11 moderate-income tracts. As of the 2000 Census, there was a total population of 253 thousand. The 2009 HUD updated adjusted median family income for the area is \$68,400. Owner-occupied housing units comprise 55 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 1 and 10 percent, respectively. Approximately 10 percent of households are below the poverty level.

There are a total of 9 branches in the Atlantic City MSA, accounting for 17% of the total branches in the state of New Jersey. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 3<sup>rd</sup> out of 16 institutions in the Atlantic City MSA with a 12.09% market share. TD Bank National Association ranks 1<sup>st</sup> with a 24.25% market share and Bank of America, NA ranks 2<sup>nd</sup> with a market share of 13.30%.

**Vineland-Millville-Bridgeton, NJ MSA (47220) – Evaluation Period**

There are a total of 34 census tracts within this MSA, including 2 low-income tracts and 7 moderate-income tracts. As of the 2000 Census, there was a total population of 146 thousand. The 2009 HUD updated adjusted median family income for the area is \$59,900. Owner-occupied housing units comprise 63 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 2 and 10 percent, respectively. Approximately 14 percent of households are below the poverty level.

There are a total of 5 branches in this AA, accounting for 10% of the total branches in the state of New Jersey. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 1<sup>st</sup> out of 12 institutions in the Vineland-Millville-Bridgeton MSA with a 21.86% market share.

**Ocean City, NJ MSA (36140) – Evaluation Period**

There are a total of 24 census tracts within this MSA, with no low-income tracts and six moderate-income tracts. As of the 2000 Census, there was a total population of 102 thousand. The 2009 HUD updated adjusted median family income for the area is \$67,200. Owner-occupied housing units comprise 34 percent of total housing units. There are no low-income geographies within this MSA. Approximately 21 percent of owner-occupied units are located

within moderate- income geographies. Approximately 8 percent of households are below the poverty level.

There are a total of 7 branches in this MSA, accounting for 13% of the total branches in the state of New Jersey. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 8<sup>th</sup> out of 14 institutions in the Ocean City MSA with an 7.57% market share. Banks that rank above SNB include Sturdy Savings Bank, Cape Bank, TD Bank National Association, PNC Bank National Association and Crest Savings Bank.

### **Trenton-Ewing, NJ MSA (45940) – Evaluation Period**

There are a total of 73 census tracts within this MSA, including 13 low-income tracts and 12 moderate-income tracts. As of the 2000 Census, there was a total population of 351 thousand. The 2009 HUD updated adjusted average median family income for the area is \$90,100. Owner-occupied housing units comprise 63 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 6 and 13 percent, respectively. Approximately 9 percent of households are below the poverty level.

There are a total of 5 branches in the Trenton-Ewing MSA, accounting for 10% of the total branches in the state of New Jersey. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 14<sup>th</sup> out of 28 institutions in the Trenton-Ewing MSA with a 0.89% market share. Banks that rank above SNB include Merrill Lynch B & T Company FSB, Wachovia Bank National Association, PNC Bank National Association, Sovereign Bank, and TD Bank National Association.

### **Newark –Union, NJ MSA (35084) – Evaluation Period**

In 2008, a limited service office was opened in Essex County. This added Essex County to the AA and significantly increased the number of census tracts and low- and moderate-income census tracts from the prior evaluation. There are a total of 238 census tracts within this MSA. There are 70 low-income tracts and 69 moderate-income tracts. As of the 2000 Census, there was a total population of 916 thousand. The 2009 HUD updated adjusted average median family income for the area is \$88,400. Owner-occupied housing units comprise 48 percent of total housing units. Owner-occupied units located within low-and moderate-income geographies are 7 and 18 percent, respectively. Approximately 14 percent of households are below the poverty level.

There are a total of 5 branches in the Newark-Union MD, accounting for 10% of the total branches in the state of New Jersey. Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 22<sup>nd</sup> out of 40 institutions lenders in the Newark-Union MD with a 0.70% market share. Some of the banks that rank above SNB include Wachovia Bank National Association, TD Bank National Association, PNC Bank National Association, Bank of America, NA, and Sovereign Bank.

## **Scope of Evaluation in New Jersey**

The bank's overall state of New Jersey rating is based primarily on the results of those areas that received full-scope reviews.

**State of New Jersey – Evaluation Period:**

SNB's defined AAs in the State of New Jersey are:

- The Edison-New Brunswick MD (20764), which is a subset of the larger New York-Northern New Jersey-Long Island MSA (35620), and includes all of Monmouth, Middlesex, Ocean, and Somerset Counties in New Jersey.
- The Atlantic City MSA (12100), which includes all of Atlantic County, New Jersey.
- The Vineland-Millville-Bridgeton MSA (47220), which includes all of Cumberland County, New Jersey.
- The Ocean City MSA (36140), which includes all of Cape May County, New Jersey.
- The Trenton-Ewing MSA (45940), which includes all of Mercer County.
- The Newark-Union MD (35084), which is a subset of the larger New York-Northern New Jersey-Long Island MSA (35620) and includes both Essex and Hunterdon Counties in New Jersey.

All percentages are based upon dollar amount.

The Edison MD (20764) was selected for a full scope review. In the state of New Jersey, approximately 32% of bank deposits, approximately 41% of home mortgage lending, and approximately 48% of small loans to businesses were originated in this MD. This MD received more weight than the other MDs and MSAs.

The Atlantic City MSA (12100) was selected for a full scope review. In the state of New Jersey, approximately 23% of bank deposits, approximately 20% of home mortgage lending, and approximately 18% of small loans to businesses were originated in this MSA.

The Vineland-Millville-Bridgeton MSA (47220) was selected for a full scope review. In the state of New Jersey, approximately 22% of bank deposits, approximately 13% of home mortgage lending, and approximately 14% of small loans to businesses were originated in this MSA.

The Ocean City MSA (36140) was selected for limited scope review. In the state of New Jersey, approximately 9% of the bank's deposits, approximately 14% of home mortgage lending, and 9% of small loans to businesses were originated in this MSA.

The Trenton-Ewing MSA (45940) was selected for limited scope review. In the state of New Jersey, approximately 9% of the bank's deposits, approximately 7% of home mortgage lending, and 6% of small loans to businesses were originated in this MSA.

The Newark-Union MD (35084) was selected for limited scope review. In the state of New Jersey, approximately 6% of the bank's deposits, 6% of home mortgage lending, and 6% of small loans to businesses were originated in this MD.

Refer to the table in Appendix A for more information.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the state of New Jersey is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Edison-New Brunswick, NJ MD, the Atlantic City-Hammonton, NJ MSA, and the Vineland-Millville-Bridgeton, NJ MSA is good.

### Lending Activity

Refer to Table 1 Lending Volume in the State of New Jersey section of appendix D for the facts and data used to evaluate the bank's lending activity.

#### **Edison-New Brunswick, NJ MD (20764)**

##### ***Home Mortgage Loans***

SNB's mortgage lending penetration was good in the Edison-New Brunswick, NJ MD when taking into consideration the strong competition from nationwide lenders who are active in this area and the bank's limited presence in this MD.

The bank's lending levels reflect good responsiveness to the credit needs of the community. Approximately 21 percent of all home mortgage loans and approximately 30 percent of small loans to businesses were originated in this MD. Among home mortgage loan originations, approximately 51 percent (by count) were home refinance loans, 27 percent (by count) were home improvement loans, and 22 percent (by count) were home purchase loans.

Based on 2007 market share data for all home mortgage lending, SNB ranks 109<sup>th</sup> out of 625 lenders in the Edison-New Brunswick, NJ MD with a market share of 0.11 percent. The top five lenders in the MD are all large nationwide banks and mortgage companies. Collectively, these five large institutions capture 33 percent of the market.

Based on this same 2007 HMDA aggregate data, SNB ranked 125<sup>th</sup> out of 466 lenders in the MD with a 0.06 percent market share in home purchase lending, 44<sup>th</sup> out of 222 lenders in the MD with a 0.41 percent market share in home improvement lending, and 123<sup>rd</sup> out of 510 lenders in the MD with a 0.10 percent market share in home refinance lending.

##### ***Small Loans to Businesses***

Based upon the 2007 CRA aggregate data, SNB ranked 21<sup>st</sup> out of 147 lenders with a market share of 0.16 percent based upon number of loans. The top five national banks and credit card lenders captured over 80 percent of the market share by count. The competition in this MD is fierce, but SNB's level of penetration is considered adequate.

## **Atlantic City-Hammonton, NJ MSA (12100)**

### ***Home Mortgage Loans***

SNB's mortgage lending penetration was adequate in the Atlantic City-Hammonton, NJ MSA when taking into consideration the strong competition from nationwide lenders who are active in this area and the bank's limited presence in this MSA.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Approximately 10 percent of all home mortgage loans and approximately 12 percent of small loans to businesses were originated in this MSA. Among home mortgage loan originations, approximately 43 percent (by count) were home refinance loans, 35 percent (by count) were home improvement loans, and 22 percent (by count) were home purchase loans.

Based on 2007 market share data for all home mortgage lending, SNB ranks 33<sup>rd</sup> out of 391 lenders in the Atlantic City-Hammonton, NJ MSA with a market share of 0.54 percent. The top five lenders in the MSA are all large nationwide banks and mortgage companies. Collectively, these five large institutions capture 37 percent of the market.

Based on this same 2007 HMDA aggregate data, SNB ranked 40<sup>th</sup> out of 266 lenders in the MSA with a 0.35 percent market share in home purchase lending, 12<sup>th</sup> out of 111 lenders in the MSA with a 2.16 percent market share in home improvement lending, and 47<sup>th</sup> out of 313 lenders in the MSA with a 0.38 percent market share in home refinance lending.

### ***Small Loans to Businesses***

Based upon the 2007 CRA aggregate data, SNB ranked 12<sup>th</sup> out of 66 lenders with a market share of 1.06 percent. The top five national banks and credit card lenders captured over 76 percent of the market share by count. SNB's performance in the MSA is considered good when considering this fierce competition.

## **Vineland-Millville-Bridgeton, NJ MSA (47220)**

### ***Home Mortgage Loans***

SNB's mortgage lending penetration was adequate in the Vineland-Millville-Bridgeton MSA when taking into consideration the strong competition from nationwide lenders who are active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Approximately 7 percent of all home mortgage loans and approximately 8 percent of small loans to businesses were originated in this MSA. Among home mortgage loan originations, approximately 33 percent (by count) were home refinance loans, 46 percent (by count) were home improvement loans, and 21 percent (by count) were home purchase loans.

Based on 2007 market share data for all home mortgage lending, SNB ranks 19<sup>th</sup> out of 272 lenders in the Vineland-Millville-Bridgeton, NJ MSA with a market share of 1.34 percent. The top five lenders in the MSA are all large nationwide banks and mortgage companies. Collectively, these five large institutions capture 35 percent of the market.

Based on this same 2007 HMDA aggregate data, SNB ranked 27<sup>th</sup> out of 160 lenders in the MSA with a 0.86 percent market share in home purchase lending, 6<sup>th</sup> out of 82 lenders in the MSA with a 4.90 percent market share in home improvement lending, and 25<sup>th</sup> out of 217 lenders in the MSA with a 0.77 percent market share in home refinance lending.

### ***Small Loans to Businesses***

Based upon the 2007 CRA aggregate data, SNB ranked 9<sup>th</sup> out of 49 lenders with a market share of 2.55 percent. The top five national banks and credit card lenders captured 74 percent of the market share by count. SNB's performance in the MSA is considered good when considering this strong competition.

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

The overall geographic distribution of home mortgage loans is good considering the strong competition from significantly larger institutions and the limited opportunities for lending in low- and moderate-income geographies. The overall geographic distribution of small loans to businesses is good.

### **Edison-New Brunswick, NJ MD (20764)**

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 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 home mortgage loan originations/purchases.

#### **Home Purchase Lending**

The geographic distribution of home purchase loans is adequate. The percentage of lending in low-income geographies is lower than the percentage of owner-occupied housing in these geographies. The percentage of lending in the moderate-income geographies is somewhat lower than the percentage of owner-occupied housing in these geographies. However, SNB's market share in low-income tracts exceeds its overall market share, while SNB's market share in moderate-income tracts is somewhat lower than its overall market share.

#### **Home Improvement Lending**

The geographic distribution of home improvement lending is excellent. The percentage of lending in low-income geographies is lower than the percentage of owner-occupied housing in these geographies. However, the percentage of lending in moderate-income geographies significantly exceeds the percentage of owner-occupied housing in these geographies. Meanwhile, SNB's market share in both low- and moderate-income geographies exceeds its overall market share.

#### **Home Refinance Lending**

The geographic distribution of home refinance lending is good. The percentage of lending in low-income geographies is somewhat lower than the percentage of owner-occupied housing in these geographies. However, the percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market

share in low-income geographies is near to its overall market share, while SNB's market share in moderate-income tracts is equal to its overall market share.

### ***Small Loans to Businesses***

Refer to Table 6 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/purchase of small loans to businesses.

Geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low-income geographies is somewhat lower than the percentage of businesses in those geographies, while the percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in those geographies. SNB's market share in low-income tracts is near to its overall market share, while SNB's market share in moderate-income tracts exceeds its overall market share.

## **Atlantic City-Hammonton, NJ MSA (12100)**

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 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 home mortgage loan originations/purchases.

### **Home Purchase Lending**

The geographic distribution of home purchase loans is adequate. There were no loans originated in low-income geographies. The percentage of lending in moderate-income geographies is near to the percentage of owner-occupied housing in these geographies. SNB's market share in moderate-income geographies is somewhat lower than its overall market share.

The opportunity to lend within low-income geographies is very limited in the Atlantic City-Hammonton, NJ MSA. According to the 2007 market share data, only 108 home purchase loans and 103 home refinance loans were originated in low-income geographies. Additionally, the top five lenders (consisting of large nationwide banks and mortgage companies) controlled over 45 percent of the total market share for home purchase loans and 33 percent of the total market share for home refinance loans. The very small number of loans coupled with the strong competition from larger institutions makes it extremely difficult for SNB to originate home purchase loans in low-income geographies.

### **Home Improvement Lending**

The geographic distribution of home improvement loans is excellent. The percentage of lending in both the low- and moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in low-income geographies is lower than its overall market share; however, SNB's market share in moderate-income geographies exceeds its overall market share.

### **Home Refinance Lending**

The geographic distribution of home refinance loans is poor. There were no loans originated in low-income geographies, and the percentage of lending in moderate-income geographies is

lower than the percentage of owner-occupied housing in these geographies. Additionally, SNB's market share in moderate-income geographies is lower than its overall market share.

As mentioned above, the very small number of home refinance loans originated in low-income geographies (103) coupled with the strong competition from larger institutions makes it extremely difficult for SNB to originate home refinance loans in these geographies.

### ***Small Loans to Businesses***

Refer to Table 6 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/purchase of small loans to businesses.

Geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low-income geographies is somewhat lower than the percentage of businesses in those geographies, while the percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in those geographies. SNB's market share in low-income tracts is equal to its overall market share, while SNB's market share in moderate-income tracts exceeds its overall market share.

## **Vineland-Millville-Bridgeton, NJ MSA (47220)**

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 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 home mortgage loan originations/purchases.

### **Home Purchase Lending**

The geographic distribution of home purchase loans is adequate. The percentage of lending in low-income geographies is near to the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing in these geographies. SNB's market share in low-income geographies is lower than its overall market share, while SNB's market share in moderate-income geographies is somewhat lower than its overall market share.

The opportunity to lend within low-income geographies is very limited in the Vineland-Millville-Bridgeton, NJ MSA. According to the 2007 market share data, only 47 total home purchase loans were originated in low-income geographies. Additionally, the top five lenders (consisting of large nationwide banks and mortgage companies) controlled over 42 percent of the total market share. The very small number of loans coupled with the strong competition from larger institutions makes it extremely difficult for SNB to originate home purchase loans in low-income geographies.

### **Home Improvement Lending**

The geographic distribution of home improvement lending is good. The percentage of lending in low-income geographies is near to the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies equals the percentage of owner-occupied housing in these geographies. SNB's market share in low-



income geographies significantly exceeds its overall market share, while SNB’s market share in moderate-income geographies is near to its overall market share.

**Home Refinance Lending**

The geographic distribution of home refinance loans is good. The percentage of lending in low-income geographies exceeds the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing in these geographies. Meanwhile, SNB’s market share in low- income geographies exceeds its overall market share, and SNB’s market share in moderate-income geographies is somewhat lower than its overall market share.

**Small Loans to Businesses**

Refer to Table 6 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/purchase of small loans to businesses.

Geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low-income geographies is somewhat lower than the percentage of businesses in those geographies, while the percentage of small loans to businesses in moderate-income geographies is near to the percentage of businesses in those geographies. SNB’s market share in low-income tracts is somewhat lower than its overall market share; however, SNB’s market share in moderate-income tracts exceeds its overall market share.

**Lending Gap Analysis**

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in lending patterns.

**Inside/Outside Ratio**

This portion of the evaluation was performed at the bank level. During the evaluation period, SNB originated a substantial majority of its loans in the combined AAs (86% by count and 80% by dollar amount).

During the evaluation period, the number and dollar amount of each individual loan product are as follows:

Type of Loan	% within AAs (by count)	% within AAs (by dollar)
Home Purchase	68.7	66.4
Home Refinance	90.9	86.4
Home Improvement	98.3	97.2
Small Loans to Businesses	85.9	79.5

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 distribution of home mortgage loans by income level of the borrower is good. The borrower distribution of small loans to businesses is adequate.

In our analysis, we considered the lack of affordability for a low-income individual or family to purchase a home. This lack of affordability limits the opportunities for home purchase, home improvement, and home refinance lending to low-income individuals or families.

During the evaluation period, the weighted average of median housing value was \$182,418 for the Edison-New Brunswick, NJ MD, \$120,946 for the Atlantic City-Hammonton, NJ MSA, and \$87,791 for the Vineland-Millville-Bridgeton, NJ MSA. Meanwhile, a low-income individual or family earned less than \$46,350 in the Edison-New Brunswick, NJ MD, \$34,200 in the Atlantic City-Hammonton, NJ MSA, and \$29,950 in the Vineland-Millville-Bridgeton, NJ MSA.

### **Edison-New Brunswick, NJ MD (20764)**

#### ***Home Mortgage Loans***

Refer to Tables 8, 9 and 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 home mortgage loan originations and purchases.

#### **Home Purchase Lending**

Borrower distribution of home purchase loans is excellent. The percentage of loans originated to low-income borrowers exceeds the percentage of low-income families in the MD. The percentage of loans originated to moderate-income borrowers also exceeds the percentage of moderate-income families in the MD. Additionally, SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

#### **Home Improvement Lending**

Borrower distribution of home improvement lending is good. The percentage of loans originated to low-income borrowers is lower than the percentage of low-income families in the MD, while the percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the MD. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

#### **Home Refinance Lending**

Borrower distribution of home refinance lending is good. The percentage of loans originated to low-income borrowers is lower than the percentage of low-income families in the MD. The percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the MD. Meanwhile, SNB's market share for low-income borrowers exceeds its overall market share, and SNB's market share for moderate-income borrowers is near to its overall market share.

***Small Loans to Businesses***

Refer to Table 11 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 and purchase of small loans to businesses.

The distribution of small loans to businesses is adequate when considering the distribution by size of loan and the strong competition from larger, nationwide lenders that offer small business credit cards.

The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) is lower than the percentage of businesses in the MD. SNB's market share of lending to small businesses is somewhat lower than its overall market share. However, the distribution by size of loan shows that approximately 51% of the loan originations are for \$100,000 or less and 72% of the loan originations are for \$250,000 or less. This is a good indication that business lending is primarily to small businesses.

**Atlantic City-Hammonton, NJ MSA (12100)*****Home Mortgage Loans***

Refer to Tables 8, 9 and 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 home mortgage loan originations and purchases.

**Home Purchase Lending**

Borrower distribution of home purchase loans is good. The percentage of loans originated to low-income borrowers is lower than the percentage of low-income families in the MSA. However, the percentage of loans originated to moderate-income borrowers equals the percentage of moderate-income families in the MSA. Additionally, SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

**Home Improvement Lending**

Borrower distribution of home improvement lending is good. The percentage of loans originated to low-income borrowers is lower than the percentage of low-income families in the MSA. However, the percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the MSA. Meanwhile, SNB's market share for low-income borrowers exceeds its overall market share, and SNB's market share for moderate-income borrowers equals its overall market share.

**Home Refinance Lending**

Borrower distribution of home refinance lending is adequate. The percentage of loans originated to low-income borrowers is significantly lower than the percentage of low-income families in the MSA, while the percentage of loans originated to moderate-income borrowers equals the percentage of moderate-income families in the MSA. SNB's market share for low-income borrowers is somewhat lower than their overall market share. Meanwhile, SNB's market share for moderate-income borrowers is near to its overall market share.

The opportunity to lend to low-income borrowers is very limited in the Atlantic City-Hammonton, NJ MSA. According to the 2007 market share data, the top five lenders

(consisting of large nationwide banks and mortgage companies) controlled over 40 percent of the total market share for home refinance loans. Additionally, the total percentage of all home refinance loans made within the MSA to low-income borrowers is only 3.84 percent which is very close to SNB's percentage of 2.99 percent. This suggests that there are not many low-income borrowers who qualify for a home refinance loans.

### ***Small Loans to Businesses***

Refer to Table 11 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 and purchase of small loans to businesses.

The distribution of small loans to businesses is adequate when considering the distribution by size of loan and the strong competition from larger, nationwide lenders that offer small business credit cards.

The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) is lower than the percentage of businesses in the MSA. SNB's market share of lending to small businesses is somewhat lower than its overall market share. However, the distribution by size of loan shows that approximately 59% of the loan originations are for \$100,000 or less and 78% of the loan originations are for \$250,000 or less. This is a good indication that business lending is primarily to small businesses.

## **Vineland-Millville-Bridgeton, NJ MSA (47220)**

### ***Home Mortgage Loans***

Refer to Tables 8, 9 and 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 home mortgage loan originations and purchases.

### **Home Purchase Lending**

Borrower distribution of home purchase loans is excellent. Although, the percentage of loans originated to low-income borrowers is significantly lower than the percentage of low-income families in the MSA, SNB's market share for low-income borrowers significantly exceeds its overall market share. Additionally, the percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the MSA, and SNB's market share for moderate-income borrowers also exceeds its overall market share.

### **Home Improvement Lending**

Borrower distribution of home improvement lending is adequate. The percentage of loans originated to low-income borrowers is lower than the percentage of low-income families in the MSA. The percentage of loans originated to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the MSA. SNB's market share for both low- and moderate-income borrowers is somewhat lower than its overall market share.

The opportunity to originate home improvement loans to low- and moderate-income borrowers is very limited in the Vineland-Millville-Bridgeton, NJ MSA. According to the 2007 market share data, only 68 total home improvement loans were made to low-income borrowers within the MSA, while 197 home improvement loans were made to moderate-income borrowers

within the MSA. Additionally, the top five lenders controlled over 47 percent of the total market share for home improvement loans to low-income borrowers and over 39 percent of the total market share for home improvement loans to moderate-income borrowers. The limited number of loans coupled with the strong competition in the MSA makes it extremely difficult for SNB to originate home improvement loans to low- and moderate-income borrowers.

### **Home Refinance Lending**

Borrower distribution of home refinance lending is good. The percentage of loans originated to low-income borrowers is significantly lower than the percentage of low-income families in the MSA. The percentage of loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the MSA. Meanwhile, SNB's market share for low-income borrowers is lower than its overall market share, and SNB's market share for moderate-income borrowers exceeds its overall market share.

The opportunity to originate home refinance loans to low-income borrowers is very limited in the Vineland-Millville-Bridgeton, NJ MSA. According to the 2007 market share data, the top five lenders controlled over 43 percent of the total market share for home refinance loans. Additionally, the total percentage of all home refinance loans made within the MSA to low-income borrowers is only 3.76 percent which is very close to SNB's percentage of 2.78 percent. This suggests that there are not many low-income borrowers who qualify for a home refinance loans.

### ***Small Loans to Businesses***

Refer to Table 11 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 and purchase of small loans to businesses.

The distribution of small loans to businesses is adequate when considering the distribution by size of loan and the strong competition from larger, nationwide lenders that offer small business credit cards.

The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) is lower than the percentage of businesses in the MSA. SNB's market share of lending to small businesses is somewhat lower than its overall market share. However, the distribution by size of loan shows that approximately 62% of the loan originations are for \$100,000 or less and 80% of the loan originations are for \$250,000 or less. This is a good indication that business lending is primarily to small businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the State of New Jersey section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

### **Edison-New Brunswick, NJ MD (20764)**

Community development loans had a neutral impact on the lending test in the Edison-New Brunswick, NJ MD. SNB originated one loan for \$350 thousand to a non-profit organization

that runs a residential treatment facility for homeless pregnant women who suffer from abuse and addiction. The loan's purpose was to fund capital requirements.

### **Atlantic City-Hammonton, NJ MSA (12100)**

Community development lending had a positive impact on the lending test in the Atlantic City-Hammonton, NJ MSA. SNB originated two loans totaling \$439 thousand and issued two letters of credit totaling \$156 thousand to a non-profit organization whose mission is to improve the lives of seniors and adults with disabilities. The organization is located in a moderate-income geography and the substantial majority of its consumers are low- or moderate income. The two loans to the organization provided funding for the acquisition of a group home for the developmentally disabled. The two letters of credit were issued on behalf of both the city and county in regards to site work performed for 26 low-income, age-restricted apartments.

### **Vineland-Millville-Bridgeton, NJ MSA (47220)**

Community development loans also had a positive impact on the lending test in the Vineland-Millville-Bridgeton, NJ MSA. SNB originated two construction loans totaling \$1.7 million in the MSA that have community development purposes and issued one letter of credit totaling \$26 thousand. The one construction loan for \$1.1 million provided funding to acquire land and construct a 200-seat restaurant in downtown Vineland, NJ. The property is located in a low-income geography and is intended to revitalize the neighborhood in accordance with New Jersey's Urban Empowerment Zone Program. The other construction loan for \$510 thousand provided funding to construct 8 single family dwellings in an affordable housing development. The \$26 thousand letter of credit was issued on behalf of the City of Bridgeton in connection with an additional affordable housing subdivision.

Community development lending also had a positive impact on the lending test for the Trenton-Ewing, NJ MSA and the Newark-Union, NJ MD. SNB originated three community development loans totaling \$9.4 million and issued one letter of credit for \$750 thousand in the Trenton-Ewing, NJ MSA. SNB also originated one community development loan totaling \$1.8 million in the Newark-Union, NJ MD.

## **Product Innovation and Flexibility**

All of the products described earlier under the Multi-State section of this PE are available in the state of New Jersey AAs.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Trenton-Ewing, NJ MSA and the Ocean City, NJ MSA is not inconsistent with the bank's overall "High Satisfactory" performance in the State of New Jersey. However, the bank's performance under the lending test in the Newark-Union, NJ MD is slightly weaker than the bank's overall "High Satisfactory" performance in the State of New Jersey because of the bank's limited presence within the MD during the majority of the evaluation period. The weaker performance had minimal impact on the overall lending rating.

Refer to the Tables 1 through 11 in the state of New Jersey section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in New Jersey is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Edison, NJ MD is excellent. The bank's performance in the Atlantic City, NJ MSA and in the Vineland-Millville-Bridgeton, NJ MSA is adequate.

Statewide and regional investments, grants, and donations were considered, in their entirety, in the MD they had potential to benefit. In cases where the investment, grant, or donation benefited more than one MD, the investment was considered, in its entirety, to benefit the MD designated by management. The prior period investments that were previously allocated are also considered to benefit the MD designated by management.

Refer to Table 14 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.

#### **Edison, NJ MD (20764)**

SNB has an excellent level of qualified investments and grants and exhibits an excellent responsiveness to meeting the identified needs of the area. There are opportunities for CD investments in the AA.

During the evaluation period, there were no new investments. However, there are seventeen prior period investments with a current book value of \$12 million. All seventeen of these investments were mortgage-backed securities that were collateralized with pools of residential mortgages originated to low- and moderate-income borrowers. Sixteen of these investments for a total of \$11 million are reflected on the Statewide/regional investment line in the investment tables.

SNB made seven grants and donations for a total of \$7 thousand to six organizations that provide community services to low- and moderate-income individuals.

#### **Atlantic City, NJ MSA (12100)**

SNB has an adequate level of qualified investments and grants and exhibits an adequate responsiveness to meeting the identified needs of the area. Opportunities for CD investments do exist in this AA.

There were no investments made during this evaluation period. During the prior Evaluation Period, SNB invested in one mortgage-backed security totaling \$1 million at that time. This investment with a current balance of \$545 thousand was collateralized with pools of residential mortgages originated to low- and moderate-income borrowers. The investment benefited a

broader Statewide/regional area. Management designated this investment to the Atlantic City, NJ MSA. The investment will be reflected on the Statewide/regional investment line in the investment tables.

SNB made fourteen grants and donations totaling \$114 thousand to six organizations that provide economic development and community services to low- and moderate-income individuals and areas.

### **Vineland-Millville-Bridgeton, NJ MSA (47220)**

SNB has an adequate level of qualified investments and grants and exhibits an adequate responsiveness to meeting the identified needs of the area. While there are opportunities for CD investments in this AA, there is competition for these investments.

During the evaluation period, a total of \$1.3 million in funds were dispersed in this MD. SNB invested in one mortgage-backed securities (MBS) totaling \$1.3 million. The five mortgages collateralizing this MSB were originated to low- and moderate-income families in Cumberland, Camden, Atlantic and Mercer counties. These MBS benefit a broader Statewide/regional area and management designated this investment to the Vineland-Millville-Bridgeton MSA. This investment will be reflected on the Statewide/Regional Investment line in the investment tables.

SNB also made twenty one grants and donations totaling \$55 thousand to eleven organizations that provide economic development, affordable housing, and community services to low- and moderate-income individuals. One of these donations for a total of \$5 thousand is reflected on the Statewide/Regional Investment line in the investment tables.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Trenton-Ewing MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the investment test in the State of New Jersey. The bank's performance under the investment test in the Ocean City MSA and in the Newark-Union MD is weaker than the State of New Jersey's overall performance in the State. There was one investment of \$1.5 million in a State-wide MBS which management deemed to benefit the Ocean City MSA. The bank's weaker performance in the Ocean City, NJ MSA had some impact on the bank's overall investment test rating. There were minimal investments, donations, and grants in the Newark-Union MD. The bank's weaker performance in that geography had some impact on the overall investment test rating.

Refer to the Table 14 in the State of New Jersey section of appendix D for the facts and data that support these conclusions.



## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in New Jersey is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Edison, NJ MD, the Atlantic City, NJ MD, and the Vineland-Millville-Bridgeton, NJ MSA is good.

### Retail Banking Services

Refer to Table 15 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.

#### **Edison, NJ MD (20764)**

SNB's delivery systems are accessible to geographies and individuals of different income levels in the Edison, NJ MD. SNB operates 21 of its 68 branches within this MD. Of these branches, none were in low-income geographies, five were in moderate-income geographies, ten were in middle-income geographies, and six were in upper-income geographies.

As a percentage of the total number of branches, 0% of the branches were located in low-income geographies where 3.91% of the population resides, and 23.81% of the branches were located in moderate-income geographies where 17.20% of the population resides. Consequently, the distribution of SNB's branches in low-income geographies is below the percentage of the population residing in such geographies, and the distribution of SNB's branches in moderate-income geographies exceeds the percentage of the population residing in such geographies.

Although there are no branches in low-income areas, SNB has approximately three middle-income branches that are close to at least seven low-income geographies. These middle-income branches allow delivery systems to be accessible to essentially all portions of the MD as those three branches represent 14.28% of the total branches in comparison to the 3.91% of the population living in low-income geographies.

During the evaluation period, SNB consolidated two middle-income branches into existing branches and divested another upper-income branch. SNB also opened a limited service branch which accepts deposits but does not provide cash transactions in a moderate-income geography. These changes have not adversely affected the accessibility of its delivery system particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

The bank's services do not vary in a way that inconveniences certain low- and moderate-income geographies or low- and moderate-income individuals. A full line of traditional banking products and services are offered at all branches. With the exception of the limited service branch, the other branches have extended hours of operations at least one day per week. All those branches have Saturday morning hours. Five of the branches have Sunday morning hours. All but three branches have drive-through services. With the exception of the limited

service branch, all other branches are equipped with ATMs. In addition, an off-site ATM is located at the Sea Oaks Country Club.

The bank offers alternative delivery systems in the form of ATMs, telephone, and Internet banking. However, no weight was placed on these services because a determination of the volume of use in low- and moderate-income geographies and by low- and moderate-income individuals is unavailable.

### **Atlantic City, NJ MSA (12100)**

SNB's delivery systems are accessible to essentially all geographies and individuals of different income levels in the Atlantic City, NJ MSA. SNB operates 9 of its 68 branches within this MSA. Of these branches, two were located in low-income geographies, none were in moderate-income geographies, six were located in middle-income geographies, and three were located in upper-income geographies.

As a percentage of the total number of branches, 11.11% of the branches were located in low-income geographies where 4.31% of the population resides, and 0% of the branches were located in moderate-income geographies where 16.09% of the population resides. Consequently, the distribution of SNB's branches in low-income geographies exceeds the percentage of the population residing in such geographies, and the distribution of branches in moderate-income geographies is significantly lower than the percentage of the population residing in such geographies.

Although there are no branch offices physically located in moderate-income geographies, SNB does have one branch located in a low-income geography and two branches in middle-income geographies that are in close proximity to six moderate-income geographies. These branches allow delivery systems to be accessible to essentially all portions of the MD as those three branches represent 33.33% of the total branches in comparison to the 16.09% of the population living in moderate-income geographies.

During the evaluation period, SNB consolidated a branch in a middle-income census tract and a branch in an upper-income census tract into a denovo branch located in a middle-income geography. In addition, a low-income branch was consolidated into another low-income branch. The branch consolidations adversely affected the accessibility of its delivery system in low- income geographies and to low- and moderate-income individuals.

The bank's services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies or individuals. A full line of traditional banking products and services are offered at all branches. All of the branches have extended hours at least one day per week. Only one branch has Sunday morning hours. Seven of the branches offer drive-through services. The two branches without drive-through are located in a low-income geography and middle income-geography. The low-income branch did have a drive-through but it had to be eliminated due to an adjacent casino parking facility. All branches are equipped with ATMs. In addition, three offsite ATMs are located at the Atlantic City Convention Center.

The bank offers alternative delivery systems in the form of ATMs, telephone, and Internet banking. However, no weight was placed on these services because a determination of the

volume of use in low- and moderate-income geographies and by low- and moderate-income individuals is unavailable.

### **Vineland-Millville-Bridgeton, NJ MSA (47220)**

SNB's delivery systems are readily accessible to geographies and individuals of different income levels in the Vineland-Millville-Bridgeton, NJ MSA. SNB operates 5 of its 68 branches within this MSA. Of these 5 branches, one was located in a low-income geography, two were located in moderate-income geographies, one was located in a middle-income geography, and one was located in an upper-income geography.

As a percentage of the total number of branches, 20.00% of the branches were located in low-income geographies where 5.07% of the population resides, and 40% of the branches were located in moderate-income geographies where 17.50% of the population resides.

Consequently, the distribution of SNB's branches in low- and moderate-income geographies exceeds the percentage of the population residing in such geographies. Between all the branches, they are located or adjacent to all the low- and moderate-income geographies.

During the evaluation period, SNB consolidated one branch. The branch which was located in a moderate-income census tract was consolidated into an existing branch within the same moderate-income census tract. The branch consolidation adversely affected the accessibility of its delivery system in moderate-income geographies and to low- and moderate-income individuals.

The bank's services do not vary in a way that inconveniences certain low- and moderate-income geographies or individuals. A full line of traditional banking products and services are offered at all branches. All of the branches have extended hours of operations at least one day per week. All of the branches have Saturday morning hours. Two branches, one located in an upper-income geography and the other in a moderate-income census tract, have Sunday morning hours. The branch in the upper-income is adjacent to a low-income and moderate-income geography. Four of the branches are equipped with ATMs and have drive through services. In addition, offsite ATMs are located at SNB's Corporate Office, Vineland Municipal Court, and Vineland Municipal Building and the former branch located in a moderate-income geography.

The bank offers alternative delivery systems in the form of ATMs, telephone, and Internet banking. However, no weight was placed on these services because a determination of the volume of use in low- and moderate-income geographies and by low- and moderate-income individuals is unavailable.

## **Community Development Services**

### **Edison, NJ MD (20764)**

SNB provides a limited level of community development services within the Edison, NJ MD. Bank management and employees provided their financial and technical expertise by participating in a non-profit distributing funds to non-profits serving the social and health needs of low- and moderate-income individuals and an economic development for small business

several small business workshops and seminars. The community development services are responsive to the community development needs in the assessment area.

SNB offered a Basic Checking Package. This no cost checking account increases access to financial services for low- or moderate-income individuals. Of the approximately 16 thousand accounts, 30% were established in this MD.

- Two officers provided technical assistance to an affordable housing project on their two applications to the Federal Home Loan Bank of New York's Affordable Housing Program.

### **Atlantic City, NJ MSA (12100)**

SNB provides a relatively high level of CD services within the Atlantic City, NJ MSA. Bank management and employees provided their financial and technical expertise through their involvement in several qualified community organizations, and through their participation in mortgage lending, small business, and financial literacy workshops. The community development services are responsive to the community development needs in the assessment area. Their community development services enhanced small business and economic development as well as affordable housing and enhanced services targeted to low- and moderate-income individuals and families. The following is a list of CD services that were provided in the Atlantic City MSA during the evaluation period.

- SNB offered a Basic Checking Package. This no cost checking account increases access to financial services for low- or moderate-income individuals. Of the approximately 16 thousand accounts, 24% were established in this MD.
- One officer served on the Board of Directors for a non-profit organization whose goal is to eliminate hunger and malnutrition by serving low- and moderate-income individuals.
- One officer served as Treasurer on a non-profit to determine allocation of funds to non-profit organizations serving low- and moderate-income individuals.
- Two employees served on the Board of Directors on a non-profit organization promoting affordable housing and employment to low- and moderate-income individuals and families.
- One officer as committee member assisted in finding funding to promote the economic development of the area.
- Three employees conducted a mortgage lending workshop for low- and moderate-income attendees involved with a non-profit providing affordable housing.
- One employee conducted one workshop for small businesses during the evaluation period.
- One employee provided a financial literacy workshop on basic banking to low- and moderate-income students.

- One employee assisted on fund raising for a non-profit organization providing social services geared towards low- and moderate-income women and families.
- Two officers provided technical assistance to an affordable housing project on their application to the Federal Home Loan Bank of New York's Affordable Housing Program.

### **Vineland-Millville-Bridgeton, NJ MSA (47220)**

SNB provides a relatively high level of CD services within the Vineland-Millville-Bridgeton, NJ MSA. Bank management and employees provided their financial and technical expertise through their involvement with qualified community organizations, and through their participation in financial literacy workshops. The community development services are responsive to the community development needs in the assessment area. The following highlights the major services provided:

- SNB offered a Basic Checking Package. This no cost checking account increases access to financial services for low- or moderate-income individuals. Of the approximately 16 thousand accounts, 12% were established in this MD.
- An officer provided financial and technical advice to a federally designated Community Action Program that provides affordable housing and community development services to low- and moderate-income individuals.
- An employee served as Board member and assisted in fundraising for a non-profit organization providing health and social services to low- and moderate-income individuals.
- An employer served as Board member and provided investment advisory for an organization providing affordable house for senior citizens.
- An employee served as treasurer for a non-profit organization whose mission is to promote economic development in a low- and moderate-income geography.
- An officer served as a Board member and assisted on fundraising on a non-profit organization which allocates funds to non-profit organizations serving the social needs of low- and moderate-income individuals.
- An officer served as Chairman of Board assisted on budgeting for a non-profit organization which provides day care services for low- and moderate-income individuals and families.
- An officer served on Economic Resource Committee for a non-profit organization whose mission is to promote economic development in a low- and moderate-income geography.
- An employee and officer provided six financial literacy workshops on basic banking to low- and moderate-income students.

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

Based on limited-scope reviews, the bank's performance under the service test in the Trenton-Ewing MSA, and the Ocean City MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the service test in New Jersey. Due to the opening of the one limited service branch in Essex County in 2008, the bank's performance under the service test in the Newark-Union, NJ MD is inconsistent with the bank's overall "High Satisfactory" performance under the service test in New Jersey. Performance in that MD is poor.

Refer to Table 15 in the State of New Jersey section of appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/06 to 03/31/09 Investment and Service Tests and CD Loans: 07/18/06 to 7/13/09	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Sun National Bank (SNB) Vineland, NJ	Home Mortgages (Home Purchase, Home Improvement, Home Refinance), Small Loans to Business, CD Loans, Qualified Investments and Qualified Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Sun Home loans, Inc.	Subsidiary of SNB	Home mortgages
Med-Vine Inc.,	Subsidiary of SNB	Qualified Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Philadelphia-Camden- Wilmington, PA-NJ-DE-MD MSA- 37980 Camden, NJ MD - 15804 Wilmington, DE-MD-NJ MD - 48864  State of New Jersey Atlantic City, NJ MSA 12100 Ocean City, NJ MSA 36140 Vineland-Millville-Bridgeton, NJ MSA – 47220 Trenton-Ewing, NJ MSA – 45940  New York-Northern New Jersey-Long Island, NY-NJ- PA MSA – 35620 Edison, NJ MD – 20764 Newark-Union, NJ MD – 35084	Full Scope Limited Scope  Full Scope Limited Scope Full Scope  Limited Scope  Full Scope Limited Scope	2000 demographics 2007 market share data for both home mortgages and small loans to business.

## Appendix B: Summary of MultiState Metropolitan Area and State Ratings

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RATINGS Sun National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/MultiState Rating
Sun National Bank	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
MultiState Metropolitan Area or State:				
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, MSA 37980	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of New Jersey	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.



## Appendix C: Market Profiles for Full-Scope Areas

### Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, MSA 37980 Camden, NJ MD-15804

Demographic Information for Full-Scope Area: Camden, NJ MD - 15804						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	318	5.97	15.41	57.23	19.81	1.57
Population by Geography	1,186,999	6.00	12.38	59.47	22.13	0.02
Owner-Occupied Housing by Geography	321,9889	3.02	9.38	62.69	24.91	0.00
Businesses by Geography	76,957	3.93	10.92	56.75	28.10	0.31
Farms by Geography	1,724	0.87	7.66	59.05	32.37	0.06
Family Distribution by Income Level	310,492	18.85	18.50	24.62	38.03	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	115,960	11.14	18.71	57.92	12.24	0.00
Median Family Income = \$62,302						
HUD Adjusted Median Family Income for 2009 = \$82,800						
Households Below the Poverty Level = 7.38%						
			Median Housing Value = \$121,422			
			Unemployment Rate = 8.7%**			

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

Source: 2000 U.S. Census, and 2008 HUD updated MFI.

\*\* US Department of Labor

In 2004, the OMB redefined the boundaries of several MSAs and also established newly defined areas called Metropolitan Divisions (MDs) based on the 2000 census. The bank's AA in this multiState MD consists of all of Burlington, Camden, and Gloucester counties in New Jersey. The Camden, NJ MD (15804) is a subset of the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, MSA (37980). The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are 318 census tracts in this AA. There are 19 low-income tracts, 49 moderate-income tracts, 182 middle-income tracts, 63 upper-income tracts, and 5 that have not been assigned an income classification.

The 2000 U.S. Census Data reported the total population of the assessment area at 1,186,999. This population was comprised of 431,163 households and 310,492 families. There are 456,044 housing units, of which, 85% were one to four family units and 26% were rental units. Owner-occupied housing is 71%, rental-occupied housing is 24%, and vacant housing is 6%. The median housing cost is \$121,422.

The median family income was \$62,302 and the 2009 HUD updated MSA median family income is \$82,800. Approximately 7% of the households are below poverty. Approximately 19% of the families in the AA are low-income, 18% are moderate-income, 25% are middle-income, and 38% are upper-income.

Based on the housing values and the median family income, there is lack of affordability for a low-income individual or family to purchase a home. According to the above, the average median housing value is \$121,422, and a low-income individual or family earns less than \$41,400.

According to the 2008 Business Geodemographics, there are a total of 76,957 businesses and 1,724 farms. Approximately 4% of the businesses are located in low-income tracts, 11% are located in moderate-income tracts, 57% are located in middle-income tracts, and 28% are located in upper-income tracts. Approximately 68% of the businesses reporting have revenues less than \$1 million and approximately 70% of the businesses and farms reporting have less than 10 employees.

There are a total of 12 branches located in the Camden MD, accounting for 75% of the total number of branches within the multiState MSA. All of the branches have extended hours of operation at least one day a week. All of the branches have Saturday hours and five of the branches have Sunday morning hours. Seven of the branches offer drive-through services and six locations are equipped with ATMs. A full line of traditional banking products and services are offered at all branches.

Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 9<sup>th</sup> out of 41 institutions in the Camden MD with a 2.03 percent deposit market share. Competition for both loans and deposits is strong in this MD, particularly from larger regional and multiState financial institutions. According to the June 30, 2008 deposit data, major competitors are TD Bank National Association (29.42%), Bank of America, NA (15.08%) Wachovia Bank National Association (12.26%), and PNC Bank National Association (8.94%).

Camden has numerous low-income census tracts and is part of the government designated Philadelphia-Camden Bi-State Empowerment Zone. The Empowerment Zone initiative is a federally funded program that offers federal tax incentives to companies operating within the Zone. The city of Camden is also part of the Urban Enterprise Zone Program enacted by the State of New Jersey to revitalize the State's most distressed urban communities through the creation of public and private investment within these communities. The Camden Urban Enterprise Zone provides incentives for businesses to open or relocate to Camden, including sales tax exemptions and reductions, corporate tax credits, and subsidized unemployment insurance cost. In addition, the U.S. Department of Housing and Urban Development (HUD) has designated Camden as an urban "Renewal Community". Businesses operating within the Renewal Community are offered federal tax incentives and financing to spur economic development and job growth.

The city of Camden is the industrial and commercial center of the AA. Some of the larger employers in the MD are Virtua Health, Lockheed Martin, Cooper University Health, TD Bank, NA, and PHH Mortgage.

The unemployment rate, as of March 2009 not seasonal adjusted, for the Camden MD was 8.7%, compared to the national unemployment rate of 9%. Camden County has the highest in the MD at 9.4% while Gloucester County was 8.8% and Burlington County 7.9%.

Based on OCC community contacts made and reviewed, there are opportunities for banks to provide community development lending, services, and investments. In particular, there is a need for affordable mortgages for LMI borrowers, as well as low-cost working capital for CDCs.

**State of New Jersey  
Atlantic City-Hammonton, NJ MSA-12100**

Demographic Information for Full-Scope Area: Atlantic City-Hammonton, NJ MSA – 12100						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	63	6.35	17.46	57.14	17.46	1.59
Population by Geography	252,552	4.31	16.09	61.29	17.52	0.80
Owner-Occupied Housing by Geography	63,040	0.98	9.67	66.07	23.25	0.04
Businesses by Geography	17,918	6.59	14.19	58.84	20.36	0.02
Farms by Geography	463	0.65	3.67	77.32	18.36	0.00
Family Distribution by Income Level	63,431	19.29	18.27	23.34	39.11	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,820	7.59	22.30	58.17	11.95	0.00
Median Family Income	= \$51,769	Median Housing Value		= \$120,946		
HUD Adjusted Median Family Income for 2009	= \$68,400	Unemployment Rate		= 11.3%		
Households Below the Poverty Level	= 10%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2008 HUD updated MFI.

The Atlantic City-Hammonton, NJ MSA (12100) is located in the southeastern part of the State and is comprised of all of Atlantic County, NJ. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are a total of 63 census tracts in this AA. There are 4 low-income tracts, 11 moderate-income tracts, 36 middle-income tracts, 11 upper-income tracts, and one has not been assigned an income classification.

The 2000 U.S. Census data reported the total population of the AA at 252,552. This population was comprised of 95,025 households, and 63,431 families. There are a total of 114,090 housing units, of which, 78% were one to four family units and 31% were rental units. Owner-occupied housing is 55%, rental occupied units were 28%, and vacant housing was 17%. The median housing cost is \$120,946.

The median family income was \$52,243 and the 2009 HUD updated median family income is \$68,400. Approximately 10% of households are below poverty. Approximately 19% of the families in the AA are low-income, 18% are moderate-income, 23% are middle-income, and 39% are upper-income.

Based on the housing values and the median family income, there is a lack of affordability for a low-income individual or family to purchase a home. According to the above, the average

median housing value is \$120,946, and a low-income individual or family earns less than \$32,600.

According to the 2008 Business Geodemographics, there are a total of 17,918 business and 463 farms. Approximately 7% are located in low-income tracts, 14% are located in moderate-income tracts, 59% are located in middle-income tracts, and 20% are located in upper-income tracts. Approximately 69% of the businesses reporting have revenues less than \$1 million and approximately 71% report less than 10 employees.

There are a total of 11 branches in the Atlantic City-Hammonton, NJ MSA, accounting for 21% of the total branches in the state of New Jersey. A full line of traditional banking products and services are offered at all branches. All of the branches have extended hours at least one day per week, as well as Saturday morning hours. In addition, one branch has Sunday morning hours. Eight of the branches offer drive-through services. All branches are equipped with ATMs. In addition, offsite ATMs are located on the Atlantic City Boardwalk and at the Atlantic City Convention Center.

Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 3<sup>rd</sup> out of 16 institutions in the Atlantic City, NJ MSA with a 12.09 percent market share. According to the June 30, 2008 deposit data, major competitors are: TD Bank, who ranks 1<sup>st</sup> with a 24.25% market share and Bank of America, who ranks 2<sup>nd</sup> with a market share of 13.30%.

The Atlantic City-Hammonton, NJ MSA's economy is primarily driven by casinos and tourism. The largest employers in Atlantic County are Atlantic City Hilton Casino Resort, Bally's Atlantic City, Borgata Casino Hotel & Spa, and Caesars.

The unemployment rate, as of May 2009, was 11.2%, which is higher than the national unemployment rate of 9%.

Based on OCC community contacts made and reviewed, there are opportunities for banks to provide community development lending, services, and investments. In particular, there is a need for affordable mortgages for LMI borrowers, as well as low-cost working capital for CDCs.

**State of New Jersey  
Edison-New Brunswick, NJ MD-20764**

Demographic Information for Full-Scope Area: Edison-New Brunswick, NJ MD – 20764						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	496	4.64	18.35	51.61	24.80	0.60
Population by Geography	2,173,869	3.91	17.20	51.81	26.93	0.15
Owner-Occupied Housing by Geography	595,582	3.50	14.87	51.71	29.93	0.00
Businesses by Geography	163,523	3.21	13.50	51.76	31.41	0.13
Farms by Geography	3,561	1.29	9.15	53.24	36.31	0.00
Family Distribution by Income Level	570,961	19.11	18.58	22.73	39.58	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	215,185	7.80	25.84	52.10	14.26	0.00
Median Family Income = \$69,978		Median Housing Value = \$182,418				
HUD Adjusted Median Family Income for 2009 = \$92,700		Unemployment Rate = 8.2%				
Households Below the Poverty Level = 6%						

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2008 HUD updated MFI.

The Edison-New Brunswick, NJ MD consists of all of Middlesex, Monmouth, Ocean, and Somerset Counties in Central New Jersey. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are a total of 496 census tracts in this AA. There are 23 low-income tracts, 91 moderate-income tracts, 256 middle-income tracts, 123 upper-income tracts, and 3 that have not been assigned an income classification.

The 2000 U.S. Census Data reported the total population of the AA at 2,173,869. This population was comprised of 799,968 households and 570,961 families. There are 875,255 housing units, of which, 85% were one to four family units and 23% were rental units. Owner-occupied housing is 68%, rental-occupied housing is 23%, and vacant housing is 9%. The median housing cost is \$182,418.

The median family income was \$69,978 and the 2009 HUD updated MSA median family income is \$92,700. Approximately 6% of the households are below poverty. Approximately 19% of families in the AA are low-income, 19% are moderate-income, 23% are middle-income, and 39% are upper-income.

Based on the housing values and the median family income, there is a lack of affordability for a low-income individual or family to purchase a home. According to the above, the average median housing value is \$182,418, and a low-income individual or family earns less than \$45,000.

According to the 2008 Business Geodemographics, there are a total of 163,523 businesses and 3,561 farms in the MD. Approximately 3% of the businesses are located in low-income geographies, 14% are located in moderate-income geographies, 52% are located in middle-income geographies, and 31% are located in upper-income geographies. Approximately 69% of the businesses reporting have revenues of less than \$1 million and approximately 72% of the businesses and farms reporting have less than 10 employees.

There are a total of 19 full-service branches, one drive-through only branch, and one limited-service branch in the Edison-New Brunswick, NJ MD, accounting for 37% of the total branches in the state of New Jersey. A full line of traditional banking products and services are offered at all the full service and drive-through branches. The limited service branch accepts deposits and originates loans but does not offer cash transaction services. All of the full-service branches have extended hours of operations at least one day per week. All of the full-service branches have Saturday morning hours and four have Sunday morning hours. All full-service branches are equipped with ATMs and all but one has drive-through services. In addition, there is an offsite ATM at the Sea Oaks Country Club.

Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 14 out of 60 institutions in the Edison-New Brunswick, NJ MD with a 1.28 percent market share. Competition for loans and deposits is intense in this MD. Banks that rank above SNB include Wachovia Bank, TD Bank, PNC Bank, Bank of America, and Sovereign Bank.

The primary industries in the MD are business and professional services, education and healthcare, as well as government. The top employers in the MD consist of Rutgers University, Johnson & Johnson, and Robert Wood Johnson Hospital.

The unemployment rate as of May, 2009 was 8.2%, slightly lower than the national unemployment rate of 9%,

Based on OCC community contacts made and reviewed, there are opportunities for banks to provide community development lending, services, and investments. In particular, there is a need for affordable mortgages for LMI borrowers, as well as low-cost working capital for CDCs.

**State of New Jersey  
Vineland-Millville-Bridgeton, NJ MSA 47220**

Demographic Information for Full-Scope Area: Vineland-Millville-Bridgeton, NJ MSA - 47220						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	34	5.88	20.59	44.12	20.59	8.82
Population by Geography	146,438	5.07	17.50	54.11	23.32	0.00
Owner-Occupied Housing by Geography	33,392	1.56	10.01	59.09	29.35	0.00
Businesses by Geography	7,712	9.66	17.79	44.72	27.83	0.00
Farms by Geography	256	0.39	4.69	46.09	48.83	0.00
Family Distribution by Income Level	35,373	21.78	17.56	20.35	40.31	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,915	5.12	23.84	55.33	15.70	0.00
Median Family Income	= \$45,377	Median Housing Value		= \$87,791		
HUD Adjusted Median Family Income for 2009	= \$59,900	Unemployment Rate		= 11.6%		
Households Below the Poverty Level	= 14%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2008 HUD updated MFI.

The Vineland-Millville-Bridgeton, NJ MSA (47220) is located in extreme Southern New Jersey and consists entirely of Cumberland County, NJ. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are a total of 34 census tracts in this AA. There are 2 low-income tracts, 7 moderate-income tracts, 15 middle-income tracts, 7 upper-income tracts, and 2 that have not been assigned an income classification.

The 2000 U.S. Census Data reported the total population of the AA at 146,438. This population was comprised of 49,096 households, and 35,272 families. There are 52,863 housing units, of which, 88% are one to four family units, and 32% were rental units. Owner-occupied housing is 63%, rental-occupied housing is 30%, and vacant housing is 7%. The median housing cost is \$87,791.

The median family income was \$45,377, and the 2009 HUD updated MSA median family income is \$59,900. Approximately 14% of the households are below poverty level. Approximately 22% of the families in the AA are low-income, 18% are moderate-income, 20% are middle-income, and 40% are upper-income.

There is a lack of affordability for a low-income individual or family to purchase a home. While the median housing value is only \$87,791, a low-income individual or family earns less than \$29,350.



According to the 2008 Business Geodemographics, there are a total of 7,712 businesses and 256 farms in the AA. Approximately 9% of the businesses are located in low-income tracts, 18% are located in moderate-income tracts, 45% are located in middle-income tracts, and 28% are located in upper-income tracts. Approximately 62% of the businesses reporting have revenues of less than \$1 million and approximately 68% of the businesses and farms reporting have less than 10 employees.

There are a total of 5 branches in this AA, accounting for 10% of the total branches in the state of New Jersey. A full line of traditional banking products and services are offered at all branches. All of the branches have extended hours of operations at least one day per week. All of the branches have Saturday morning hours. Two branches have Sunday morning hours. Five of the branches offer drive up services and are equipped with ATMs. In addition, offsite ATMs are located at SNB's Corporate Office, the Vineland Courthouse, the Vineland Municipal Building, and in downtown Millville.

Based on the June 30, 2008 FDIC Summary of Deposits, SNB ranks 1<sup>st</sup> out of 12 institutions in the Vineland-Millville-Bridgeton, NJ MSA with a 21.86 percent market share.

During January of 1999, Cumberland County was awarded an "Empowerment Zone" (EZ) designation by the federal government. An EZ is an area considered in need of economic assistance. The Vineland Urban Enterprise Zone (UEZ) was created to assist in the revitalization of the City of Vineland through business retention and expansion programs financed by the New Jersey Zone Assistance Fund.

The primary industries in the MSA are healthcare/education, agriculture, and retail. The top employers in the MSA consist of the South Jersey Hospital System, Walmart, and Gerresheimer Glass.

The unemployment rate as of May, 2009 was 11.6%, compared to the national unemployment rate of 9%.

Based on OCC community contacts made and reviewed, there are opportunities for banks to provide community development lending, services, and investments. In particular, there is a need for affordable mortgages for LMI borrowers, as well as low-cost working capital for CDCs.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each State. All multiState metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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 MA/assessment area. Community development loans to Statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As 12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of

the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in Statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Tables of Performance Data**

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**MultiState Metropolitan Area(s) Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, MSA-37980.....D5**

**State of New Jersey.....D16**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980										
Evaluation Period: 01/01/06 to 03/31/09												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Camden, NJ MD 15804	71.53	622	73,080	354	70,114	0	0	4	2,890	980	146,084	72.26
<b>Limited Review:</b>												
Wilmington, DE-MD-NJ, MD 48864	28.47	229	21,919	148	26,698	0	0	13	450	390	49,067	27.74

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

\*\* The evaluation period for Community Development Loans is 7/18/06 to 7/13/09.

\*\*\* Deposit Data as of June 30, 2008. Rated Area refers to either the State, multi-State MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE												Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980				
Evaluation Period: 01/01/06 to 03/31/09																
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over All	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Camden, NJ MD 15804	142	79.78	3.02	0.70	9.38	14.79	62.69	67.61	24.91	16.90	0.15	0.10	0.20	0.14	0.17	
<b>Limited Review:</b>																
Wilmington, DE-MD-NJ, MD 48864	36	20.22	1.80	2.78	14.52	25.00	54.85	66.67	28.83	5.56	0.08	0.00	0.06	0.11	0.05	

\* Based on 2007 Peer Mortgage Data (Eastern)

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

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

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

Geographic Distribution: HOME IMPROVEMENT												Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980				
Evaluation Period: 01/01/06 to 03/31/09												Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Camden, NJ MD 15804	190	69.34	3.02	0.53	9.38	12.11	62.69	72.11	24.91	15.26	0.75	0.43	0.64	0.85	0.53	
<b>Limited Review:</b>																
Wilmington, DE-MD-NJ, MD 48864	84	30.66	1.80	8.33	14.52	21.43	54.85	61.90	28.83	8.33	0.78	1.35	1.72	0.68	0.39	

\* Based on 2007 Peer Mortgage Data (Eastern)

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

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



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

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980				
Evaluation Period: 01/01/06 to 03/31/09																
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Camden, NJ MD 15804	287	73.03	3.02	0.00	9.38	8.01	62.69	72.13	24.91	19.86	0.23	0.00	0.27	0.25	0.17	
<b>Limited Review:</b>																
Wilmington, DE-MD-NJ, MD 48864	106	26.97	1.80	2.83	14.52	22.64	54.85	65.09	28.83	9.43	0.29	0.00	0.47	0.32	0.08	

\* Based on 2007 Peer Mortgage Data (Eastern)

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980				
Evaluation Period: 01/01/06 to 03/31/09												Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
<b>Full Review:</b>																
Camden, NJ MD 1580	354	70.66	3.93	2.26	10.92	9.32	56.75	58.19	28.10	30.23	0.23	0.32	0.26	0.25	0.19	
<b>Limited Review:</b>																
Wilmington, DE-NJ-MD 48864	147	29.34	13.54	6.80	15.04	24.49	46.36	48.98	24.94	19.73	0.23	0.09	0.38	0.27	0.15	

\* Based on 2007 Peer Small Business Data – US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2008)

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

Borrower Distribution: HOME PURCHASE		Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980													
Evaluation Period: 01/01/06 to 03/31/09															
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families**	% BANK Loans**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Camden, NJ MD 15804	142	79.78	18.85	17.73	18.50	34.75	24.62	23.40	38.03	24.11	0.17	0.38	0.22	0.12	0.15
<b>Limited Review:</b>															
Wilmington, DE-MD-NJ, MD 48864	36	20.22	19.03	13.89	17.76	41.67	23.68	13.89	39.54	30.56	0.09	0.22	0.09	0.00	0.12

\* Based on 2007 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.6% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT Evaluation Period: 01/01/06 to 03/31/09		Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980													
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Camden, NJ MD 15804	190	69.34	18.85	13.76	18.50	20.63	24.62	33.33	38.03	32.28	0.75	0.97	0.62	0.94	0.62
<b>Limited Review:</b>															
Wilmington, DE-MD-NJ, MD 48864	84	30.66	19.03	25.30	17.76	30.12	23.68	16.87	39.54	27.71	0.80	1.16	1.26	0.35	0.72

\* Based on 2007 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.7% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980				
Evaluation Period: 01/01/06 to 03/31/09																
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Camden, NJ MD 15804	287	73.03	18.85	6.99	18.50	19.93	24.62	28.32	38.03	44.76	0.26	0.27	0.18	0.23	0.33	
<b>Limited Review:</b>																
Wilmington, DE-MD-NJ, MD 48864	106	26.97	19.03	16.35	17.76	24.04	23.68	29.81	39.54	29.81	0.31	0.97	0.23	0.27	0.23	

\* Based on 2007 Peer Mortgage Data (Eastern)  
 \*\* As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by Bank.  
 \*\*\* Percentage of Families is based on the 2000 Census information.  
 \*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980					
Evaluation Period: 01/01/06 to 03/31/09									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Camden, NJ MD 15804	354	70.52	68.34	37.29	57.63	18.36	24.01	0.23	0.15
<b>Limited Review:</b>									
Wilmington, DE-MD-NJ, MD 48864	148	29.48	64.49	38.51	65.54	14.19	20.27	0.23	0.12

\* Based on 2007 Peer Small Business Data – US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

\*\*\*\* 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 37.25% of small loans to businesses originated and purchased by the Bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980								
Evaluation Period: 07/18/06 to 7/13/09		Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
MA/Assessment Area:	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
Camden, NJ MD 15804	0	0	1	0	1	0	0	0	0	
<b>Limited Review:</b>										
Wilmington, DE-MD-NJ, MD 48864	0	0	7	8	7	8	.14	0	0	
Statewide	4	1,093	13	4,656	17	5,750	99.86			

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.  
 \*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: Philadelphia-Camden-Wilmington, PA-NJ-DE MSA 37980 Evaluation Period: 07/18/06 to 07/13/09																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Camden, NJ MD 15804	72.26%	12	75.00	0.00	8.33	83.33	8.33	0	0	0	0	0	0	6.00	12.38	59.47	22.13
<b>Limited Review:</b>																	
Wilmington, DE-MD MD 48864	27.74%	4	25	0.00	25.00	75.00	0.00	0	6	-1	0	-4	-1	4.61	17.50	53.45	24.44



**Table 1. Lending Volume**

LENDING VOLUME													
Geography: STATE OF NEW JERSEY													
Evaluation Period: 01/01/06 to 03/31/09													
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
<b>Full Review:</b>													
Atlantic City-Hammonton, NJ MSA 12100	20.82	327	35,685	352	66,845	0	0	4	595	683	103,125	22.87	
Edison-New Brunswick, NJ MD 20764	38.55	456	73,679	808	172,779	0	0	1	350	1,265	246,808	32.17	
Vineland-Millville-Bridgeton MSA 47220	18.90	339	22,843	278	49,067	0	0	3	1,665	620	73,575	21.63	
<b>Limited Review:</b>													
Newark-Union, NJ MD 350	5.09	55	10,156	111	20,863	0	0	1	1,750	167	32,769	5.87	
Ocean City, NJ MSA 36140	9.72	142	25,446	177	33,086	0	0	0	0	319	58,532	8.50	
Trenton-Ewing, NJ MSA 45000	6.92	99	13,321	124	20,042	0	0	4	10,186	227	43,549	8.96	

\* Loan Data as of March 31, 2009. Rated area refers to either the State or multi-State MA rating area.  
 \*\* The evaluation period for Community Development Loans is 07/18/06 to 07/13/09  
 \*\*\* Deposit Data as of June 30, 2008. Rated Area refers to either the State, multi-State MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE													Geography: STATE OF NEW JERSEY				
Evaluation Period: 01/01/06 to 03/31/09																	
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp		
<b>Full Review:</b>																	
Atlantic City-Hammonton, NJ MSA 12100	74	24.58	0.98	0.00	9.67	8.11	66.10	74.32	23.26	17.57	0.36	0.00	0.13	0.50	0.15		
Edison-New Brunswick, NJ MD 20764	96	31.89	3.50	1.04	14.87	9.38	51.71	65.63	29.93	23.96	0.06	0.07	0.02	0.09	0.03		
Vineland-Millville-Bridgeton MSA 47220	72	23.92	1.56	1.39	10.01	5.56	59.09	44.44	29.35	48.61	0.86	0.00	0.45	0.49	1.75		
<b>Limited Review:</b>																	
Newark-Union, NJ MD 35084	13	4.32	7.48	0.00	18.00	30.77	19.94	23.08	54.58	46.15	0.02	0.00	0.00	0.04	0.03		
Ocean City, NJ MSA 36140	28	9.30	0.00	0.00	21.44	10.71	50.49	71.43	28.06	17.86	0.13	0.00	0.11	0.17	0.07		
Trenton-Ewing, NJ MSA 45940	18	5.98	6.07	5.56	12.82	5.56	38.98	33.33	42.12	55.56	0.04	0.15	0.00	0.00	0.06		

\* Based on 2007 Peer Mortgage Data (Eastern)

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

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

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

Geographic Distribution: HOME IMPROVEMENT													Geography: STATE OF NEW JERSEY				
Evaluation Period: 01/01/06 to 03/31/09																	
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp		
<b>Full Review:</b>																	
Atlantic City-Hammonton, NJ MSA 12100	113	23.35	0.98	1.77	9.67	11.50	66.10	72.57	23.26	14.16	2.17	0.00	4.43	2.33	1.04		
Edison-New Brunswick, NJ MD 20764	125	25.83	3.50	0.80	14.87	34.40	51.71	43.20	29.93	21.60	0.41	0.48	0.78	0.32	0.40		
Vineland-Millville-Bridget NJ MSA 47220	155	32.02	1.56	0.65	10.01	10.97	59.09	49.68	29.35	38.71	4.91	10.00	3.91	4.01	6.81		
<b>Limited Review:</b>																	
Newark-Union, NJ MD 35084	10	2.07	7.48	0.00	18.00	20.00	19.94	50.00	54.58	30.00	0.11	0.00	0.15	0.33	0.00		
Ocean City, NJ MSA 36140	53	10.95	0.00	0.00	21.44	20.75	50.49	50.94	28.06	28.30	1.82	0.00	1.81	2.25	0.94		
Trenton-Ewing, NJ MSA 45940	28	5.79	6.07	0.00	12.82	7.14	38.98	46.43	42.12	46.43	1.06	0.00	0.48	1.29	1.26		

\* Based on 2007 Peer Mortgage Data (Eastern)

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

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF NEW JERSEY				
Evaluation Period: 01/01/06 to 03/31/09																			
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*								
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp				
<b>Full Review:</b>																			
Atlantic City-Hammonton, NJ MSA 12100	139	22.10	0.98	0.00	9.67	3.60	66.10	75.54	23.26	20.86	0.37	0.00	0.15	0.48	0.21				
Edison-New Brunswick, NJ MD 20764	233	37.04	3.50	0.86	14.87	20.17	51.71	48.50	29.93	30.47	0.10	0.07	0.10	0.08	0.14				
Vineland-Millville-Bridget NJ MSA 47220	112	17.81	1.56	2.68	10.01	8.04	59.09	52.68	29.35	36.61	0.77	1.45	0.51	0.69	1.02				
<b>Limited Review:</b>																			
Newark-Union, NJ MD 35084	31	4.93	7.48	0.00	18.00	3.23	19.94	35.48	54.58	61.29	0.04	0.00	0.00	0.09	0.07				
Ocean City, NJ MSA 36140	61	9.70	0.00	0.00	21.44	11.48	50.49	55.74	28.06	32.79	0.43	0.00	0.31	0.48	0.46				
Trenton-Ewing, NJ MSA 45940	53	8.43	6.07	3.77	12.82	13.21	38.98	39.62	42.12	43.40	0.13	0.28	0.20	0.11	0.07				

\* Based on 2007 Peer Mortgage Data (Eastern)

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: STATE OF NEW JERSEY				
Evaluation Period: 01/01/06 to 03/31/09																
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Atlantic City-Hammonton, NJ MSA 12100	352	19.03	6.59	4.26	14.19	17.33	58.84	65.06	20.36	13.35	1.06	1.07	1.60	1.19	0.60	
Edison-New Brunswick, NJ MD 20764	808	43.68	3.21	1.49	13.50	20.30	51.76	51.61	31.41	26.61	0.16	0.14	0.27	0.17	0.13	
Vineland-Millville-Bridg NJ MSA 47220	278	15.03	9.66	5.40	17.79	16.55	44.72	43.53	27.83	34.53	2.55	1.43	3.78	2.45	2.69	
<b>Limited Review:</b>																
Newark-Union, NJ MD 35084	111	6.00	18.95	0.00	22.37	30.63	14.61	5.41	44.07	63.96	0.07	0.00	0.12	0.03	0.08	
Ocean City, NJ MSA 36140	177	9.57	0.00	0.00	20.20	24.86	55.23	59.89	24.56	15.25	1.08	0.00	1.79	1.20	0.39	
Trenton-Ewing, NJ MSA 45940	124	6.70	11.27	10.48	10.33	8.87	33.10	33.87	45.29	46.77	0.26	0.32	0.28	0.29	0.24	

\* Based on 2007 Peer Small Business Data – US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2008).

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

Borrower Distribution: HOME PURCHASE Evaluation Period: 01/01/06 to 03/31/09												Geography: STATE OF NEW JERSEY				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Families**	% BANK Loans**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Atlantic City-Hammonton, NJ MSA 12100	74	24.58	19.29	9.46	18.27	18.92	23.34	35.14	39.11	36.49	0.41	0.66	0.54	0.65	0.26	
Edison-New Brunswick, NJ MD 20764	96	31.89	19.11	25.26	18.58	26.32	22.73	22.11	39.58	26.32	0.07	0.61	0.10	0.07	0.02	
Vineland-Millville-Bridget NJ MSA 47220	72	23.92	21.78	5.56	17.56	25.00	20.35	40.28	40.31	29.17	0.97	3.45	1.33	1.20	0.57	
<b>Limited Review:</b>																
Newark-Union, NJ MD 35084	13	4.32	29.23	23.08	17.04	23.08	18.36	15.38	35.38	38.46	0.02	0.00	0.00	0.03	0.02	
Ocean City, NJ MSA 36140	28	9.30	18.91	3.57	18.76	7.14	21.69	21.43	40.65	67.86	0.14	0.00	0.00	0.46	0.11	
Trenton-Ewing, NJ MSA 45940	18	5.98	20.71	16.67	17.30	16.67	21.40	16.67	40.58	50.00	0.04	0.00	0.00	0.03	0.02	

\* Based on 2007 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.3% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT Evaluation Period: 01/01/06 to 03/31/09												Geography: STATE OF NEW JERSEY				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Atlantic City-Hammonton, NJ MSA 12100	113	23.35	19.29	10.81	18.27	22.52	23.34	22.52	39.11	44.14	2.20	2.65	2.20	1.57	2.50	
Edison-New Brunswick, NJ MD 20764	125	25.83	19.11	13.60	18.58	26.40	22.73	22.40	39.58	37.60	0.42	0.99	0.72	0.19	0.31	
Vineland-Millville-Bridgeton NJ MSA 47220	155	32.02	21.78	9.15	17.56	13.73	20.35	32.68	40.31	44.44	4.87	2.94	2.54	5.96	5.43	
<b>Limited Review:</b>																
Newark-Union, NJ MD 35084	10	2.07	29.23	20.00	17.04	30.00	18.36	30.00	35.38	20.00	0.11	0.57	0.20	0.00	0.08	
Ocean City, NJ MSA 36140	53	10.95	18.91	16.98	18.76	26.42	21.69	24.53	40.65	32.08	2.01	3.64	2.91	4.07	0.86	
Trenton-Ewing, NJ MSA 45940	28	5.79	20.71	10.71	17.30	25.00	21.40	17.86	40.58	46.43	1.08	1.14	1.06	0.29	1.61	

\* Based on 2007 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: STATE OF NEW JERSEY				
Evaluation Period: 01/01/06 to 03/31/09																
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Atlantic City-Hammonton, NJ MSA 12100	139	22.10	19.29	2.99	18.27	18.66	23.34	20.90	39.11	57.46	0.40	0.24	0.37	0.22	0.54	
Edison-New Brunswick, NJ MD 20764	233	37.04	19.11	6.90	18.58	22.84	22.73	29.74	39.58	40.52	0.12	0.15	0.10	0.09	0.14	
Vineland-Milville-Bridgeton NJ MSA 47220	112	17.81	21.78	2.78	17.56	22.22	20.35	26.85	40.31	48.15	0.87	0.00	1.18	0.70	0.93	
<b>Limited Review:</b>																
Newark-Union, NJ MD 35084	31	4.93	29.23	3.23	17.04	16.13	18.36	32.26	35.38	48.39	0.05	0.00	0.03	0.04	0.07	
Ocean City, NJ MSA 36140	61	9.70	18.91	3.39	18.76	18.64	21.69	27.12	40.65	50.85	0.47	0.00	1.08	0.57	0.37	
Trenton-Ewing, NJ MSA 45940	53	8.43	20.71	1.92	17.30	34.62	21.40	21.15	40.58	42.31	0.13	0.00	0.28	0.09	0.11	

\* Based on 2007 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 2.1% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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



Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: STATE OF NEW JERSEY				
Evaluation Period: 01/01/06 to 03/31/09									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Atlantic City-Hammonton, NJ MSA 12100	352	19.03	68.73	33.24	59.38	19.03	21.59	1.06	0.73
Edison-New Brunswick, NJ MD 20764	808	43.68	69.46	31.31	50.87	20.67	28.47	0.16	0.08
Vineland-Millville-Bridgeton NJ MSA 47220	278	15.03	66.01	35.97	61.87	17.99	20.14	2.55	1.69
<b>Limited Review:</b>									
Newark-Union, NJ MD 35084	9	0.59	72.74	22.22	55.56	0.00	44.44	0.07	0.00
Ocean City, NJ MSA 36140	146	9.55	69.44	20.55	63.70	15.75	20.55	2.04	1.43
Trenton-Ewing, NJ MSA 45940	129	8.44	64.39	15.50	68.99	14.73	16.28	0.95	0.41

\* Based on 2007 Peer Small Business Data – US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2008).

\*\*\*\* 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 0.00% of small loans to businesses originated and purchased by the Bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: STATE OF NEW JERSEY									
Evaluation Period: 07/18/06 to 7/13/09									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Atlantic City, NJ MSA 12100	0	0	14	114	14	114	0.66	0	0
Edison, NJ MD 20764	1	425	7	7	8	432	2.48	0	0
Vineland-Millville-Bridget NJ MSA 47220	0	0	20	50	20	50	0.29	0	0
<b>Limited Review:</b>									
Newark-Union, NJ MD 35084	0	0	2	1	2	1	0	0	0
Ocean City, NJ MSA 36140	0	0	0	0	0	0	0	0	0
Trenton-Ewing, NJ MSA 45940	1	21	6	1,530	7	1,551	8.89	0	0
Statewide	18	12,292	13	3,002	31	15,295	87.68		

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: STATE OF NEW JERSEY																	
Evaluation Period: 07/18/06 to 07/13/09																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Atlantic City, NJ MSA 12100	22.90%	9	17.30	11.11	0.00	66.67	22.22	1	3	-1	0	0	-1	4.31	16.09	61.29	17.52
Edison, NJ MD 20764	32.10%	21	40.38	0.00	23.81	47.62	28.57	1	3	0	+1	-2	-1	3.91	17.20	51.81	26.93
Vineland-Millville-Bridgeton, NJ MSA 47220	21.60	5	9.62	20.00	40.00	20.00	20.00	0	1	0	-1	0	0	5.07	17.50	54.11	23.32
<b>Limited Review:</b>																	
Newark-Union, NJ MD 35084	5.90	5	9.62	0.00	20.00	20.00	60.00	1	0	0	0	0	+1	22.09	28.84	15.89	33.18
Ocean City, NJ MSA 36140	8.50	7	13.46	0.00	14.29	71.43	14.29	1	0	0	+1	0	0	0.00	23.79	51.50	24.71
Trenton-Ewing, NJ MSA 45940	9.00	5	9.62	20.00	0.00	20.00	60.00	1	3	0	0	-1	-1	11.94	14.87	35.29	37.37