



**PUBLIC DISCLOSURE**

Date of Evaluation:                     MAY 6, 2013                    

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Name of Depository Institution:           **SUSQUEHANNA BANK**          

Institution's Identification Number:           **682611**          

Address:   **26 N. CEDAR STREET**  

  **LITITZ, PENNSYLVANIA**  

**FEDERAL RESERVE BANK OF PHILADELPHIA  
TEN INDEPENDENCE MALL  
PHILADELPHIA, PENNSYLVANIA 19106**

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 the safe and sound operation of the institution. This evaluation is not, nor should it 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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## **INSTITUTION'S CRA RATING**

### **INSTITUTION'S CRA RATING**

Susquehanna Bank (Susquehanna) is rated SATISFACTORY.

Susquehanna was rated outstanding at its previous Community Reinvestment Act (CRA) evaluation dated March 14, 2011. The current evaluation of Susquehanna's CRA performance reflects a ratings downgrade from outstanding to satisfactory. The downgrade can be attributed to the overall lower levels of CRA lending, investments, and services compared to the metrics reflected at the previous evaluation. The level of lending in Pennsylvania, which comprises a significant component of Susquehanna's lending test, showed a marked decrease since the previous assessment. In addition, at the previous evaluation investments and services were rated outstanding but both are assessed as high satisfactory at this evaluation.

### **PERFORMANCE TEST RATINGS TABLE**

The following table indicates the performance level of Susquehanna with respect to the lending, investment, and service tests.

| <b>SUSQUEHANNA BANK<br/>PERFORMANCE TESTS</b> |                      |                        |                     |
|---|----------------------|------------------------|---------------------|
| <b>Performance Levels</b>                     | <b>Lending Test*</b> | <b>Investment Test</b> | <b>Service Test</b> |
| Outstanding                                   |                      |                        |                     |
| High Satisfactory                             | <b>X</b>             | <b>X</b>               | <b>X</b>            |
| Low Satisfactory                              |                      |                        |                     |
| Needs to Improve                              |                      |                        |                     |
| Substantial Noncompliance                     |                      |                        |                     |

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

### **SUMMARY OF MAJOR FACTORS SUPPORTING RATING**

Major factors contributing to the rating include the following.

- A substantial majority of loans are made in the bank's assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers, given the product lines offered by the bank, reflects good penetration among retail customers of different income levels and business customers of different sizes.
- The bank has a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- The bank is a leader in making community development loans.
- The bank has a significant level of qualified community development investments and grants.
- The bank provides a relatively high level of community development services.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Susquehanna, headquartered in Lititz, Pennsylvania, is a multistate financial institution providing consumer and commercial banking services through 260 branches in Pennsylvania, New Jersey, Maryland, and West Virginia. The bank is a wholly-owned subsidiary of Susquehanna Bancshares, Inc. (SBI), a financial holding company with assets of \$18.0 billion as of December 31, 2012.

Since the previous examination, Susquehanna completed two acquisitions in 2011 (Abington Bancorp, Inc. and Tower Bancorp, Inc.) which significantly increased the asset size of the organization. The loan portfolio grew 34%, to \$12.9 billion as of December 31, 2012, compared to \$9.6 billion as of December 31, 2010, due to the aforementioned acquisitions coupled with organic growth in commercial and retail lending throughout the organization's footprint. Loan growth was primarily funded by increased deposits; deposits grew 38% to \$12.6 billion.

As of December 31, 2012, Susquehanna reported total loans of \$12.9 billion, or 72% of bank assets, compared to the previous evaluation when total loans represented 70% of bank assets. On a dollar volume basis, commercial loans, which include commercial mortgages and commercial and industrial loans, are the most material products offered by the bank.

The following table details Susquehanna's loan portfolio:

| <b>LOANS as of 12/31/2012</b>                    | <b>\$</b>           | <b>%</b>    |
|--|---------------------|-------------|
| Construction & Land Development                  | 847,781             | 6.6         |
| Secured by Farmland                              | 241,009             | 1.9         |
| Secured by Residential Properties (Open-end)     | 1,343,073           | 10.4        |
| Secured by Residential Properties (Closed-end)   | 2,364,955           | 18.3        |
| Secured by Multifamily Residential Properties    | 357,790             | 2.8         |
| Loans to Depository Institutions                 | 4,999               | 0.0         |
| Loans to Finance Agriculture                     | 26,489              | 0.2         |
| Commercial Mortgages                             | 3,723,599           | 28.9        |
| Commercial and Industrial                        | 1,811,762           | 14.1        |
| Consumer   | 842,552             | 6.5         |
| Obligations of States and Political Subdivisions | 387,044             | 3.1         |
| Loans to Non-Depository Financial Institutions   | 33,317              | 0.3         |
| Leases Financing Receivables                     | 900,275             | 7.0         |
| <b>TOTAL</b>                                     | <b>\$12,894,645</b> | <b>100%</b> |

Source: Consolidated Reports of Condition and Income, Schedule RC-C. Note: Loans classified as closed-end loans secured by residential real estate include business purpose loans collateralized by residential properties.

For purposes of CRA, Susquehanna has 19 designated assessment areas.

1. The Lancaster assessment area consists of Lancaster County, Pennsylvania which encompasses the entire Lancaster metropolitan statistical area (MSA).
2. The Harrisburg assessment area includes Cumberland and Dauphin Counties in Pennsylvania in the Harrisburg-Carlisle, PA MSA.

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3. The Philadelphia-Camden assessment area consists of Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania and Camden, Burlington, and Gloucester Counties in New Jersey. All eight counties are located in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA.
4. The York assessment area consists of York and Adams Counties in Pennsylvania encompassing the entire York-Hanover-Gettysburg combined statistical area (CSA).
5. The North Central Pennsylvania assessment area includes the non-metropolitan counties of Northumberland, Schuylkill, Snyder, and Union.
6. The Reading assessment area consists of Berks County, Pennsylvania, which encompasses the entire Reading MSA.
7. The Allentown assessment area consists of Lehigh and Northampton Counties in Pennsylvania in the Allentown-Bethlehem-Easton, PA-NJ MSA.
8. The Williamsport assessment area consists of Lycoming County, Pennsylvania, encompassing the entire Williamsport MSA.
9. The South Central Pennsylvania assessment area includes the non-metropolitan counties of Bedford, Franklin, and Fulton.
10. The Scranton assessment area consists of Luzerne County, Pennsylvania, located in the Scranton-Wilkes-Barre, PA MSA.
11. The Vineland assessment area consists of Cumberland County, New Jersey, which encompasses the entire Vineland-Millville-Bridgeton, NJ MSA.
12. The Atlantic City assessment area consists of Atlantic County, New Jersey, which encompasses the entire Atlantic City, NJ MSA.
13. The Hagerstown assessment area includes Washington County in Maryland and Berkeley County in West Virginia, in the Hagerstown-Martinsburg, MD-WV MSA.
14. The Baltimore assessment area consists of Baltimore City and the counties of Anne Arundel, Baltimore, Carroll, Harford and Howard, all located in the Baltimore-Towson MSA in Maryland.
15. The Garrett County assessment area is located in a non-metropolitan area of Maryland.
16. The Allegany County assessment area consists of the Maryland portion of the Cumberland MD-WV MSA.
17. The Worcester County assessment area is located in a non-metropolitan area of Maryland.
18. The Lebanon assessment area consists of Lebanon County, Pennsylvania, which encompasses the entire Lebanon, PA MSA.
19. The State College assessment area consists of Centre County, Pennsylvania, which encompasses the entire State College MSA.

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The bank's assessment areas were determined to comply with the requirements of the Community Reinvestment Act (CRA) and do not arbitrarily exclude low- or moderate-income census tracts. The bank's asset size and financial condition indicate that it has the ability to meet the credit needs of its assessment areas effectively.

The table below details the locations of Susquehanna's branches.

| <b>SUSQUEHANNA BANK<br/>RETAIL BRANCH DISTRIBUTION<br/>FULL SERVICE BRANCHES</b> |                           |                           |
|--|---------------------------|---------------------------|
| <b>Metropolitan Area</b>   | <b>County</b>             | <b>Number of Branches</b> |
| Philadelphia MSA   | Bucks County, PA          | 5                         |
| Philadelphia MSA   | Chester County, PA        | 17                        |
| Philadelphia MSA   | Delaware County, PA       | 4                         |
| Philadelphia MSA   | Montgomery County, PA     | 20                        |
| Philadelphia MSA   | Philadelphia County, PA   | 2                         |
| Philadelphia MSA   | Camden County, NJ         | 8                         |
| Philadelphia MSA   | Gloucester County, NJ     | 4                         |
| Philadelphia MSA   | Burlington County, NJ     | 5                         |
| Reading MSA  | Berks County, PA          | 7                         |
| Allentown-Bethlehem-Easton MSA   | Lehigh County, PA         | 5                         |
| Allentown-Bethlehem-Easton MSA   | Northampton County, PA    | 2                         |
| Vineland-Millville-Bridgeton MSA   | Cumberland County, NJ     | 6                         |
| Atlantic City MSA  | Atlantic County, NJ       | 6                         |
| Lancaster MSA  | Lancaster County, PA      | 33                        |
| York-Hanover-Gettysburg CSA  | York County, PA           | 18                        |
| York-Hanover-Gettysburg CSA  | Adams County, PA          | 3                         |
| Williamsport MSA   | Lycoming County, PA       | 5                         |
| North Central PA Non-MSA   | Northumberland County, PA | 8                         |
| North Central PA Non-MSA   | Schuylkill County, PA     | 7                         |
| North Central PA Non-MSA   | Snyder County, PA         | 3                         |
| North Central PA Non-MSA   | Union County, PA          | 1                         |
| Scranton-Wilkes Barre MSA  | Luzerne County, PA        | 3                         |
| Harrisburg-Carlisle MSA  | Cumberland County, PA     | 6                         |
| Harrisburg-Carlisle MSA  | Dauphin County, PA        | 12                        |
| South Central PA Non-MSA   | Bedford County, PA        | 4                         |
| South Central PA Non-MSA   | Franklin County, PA       | 9                         |
| South Central PA Non-MSA   | Fulton County, PA         | 2                         |
| Hagerstown-Martinsburg MSA   | Washington County, MD     | 14                        |
| Hagerstown-Martinsburg MSA   | Berkeley County, WV       | 3                         |
| Baltimore-Towson MSA   | Baltimore City, MD        | 2                         |
| Baltimore-Towson MSA   | Anne Arundel County, MD   | 2                         |
| Baltimore-Towson MSA   | Baltimore County, MD      | 10                        |
| Baltimore-Towson MSA   | Carroll County, MD        | 4                         |
| Baltimore-Towson MSA   | Harford County, MD        | 2                         |
| Baltimore-Towson MSA   | Howard County, MD         | 2                         |
| Cumberland MSA   | Allegany County, MD       | 8                         |
| Non-MSA  | Garrett County, MD        | 2                         |
| Non-MSA  | Worcester County, MD      | 1                         |
| Lebanon MSA  | Lebanon County, PA        | 2                         |
| State College MSA  | Centre County, PA         | 3                         |
| <b>Total Branches</b>  |                           | <b>260</b>                |

## **SCOPE OF EXAMINATION**

Susquehanna's CRA performance was evaluated for the period from March 15, 2011 through May 6, 2013. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA, in accordance with the Interagency Procedures for Large Retail Institutions. Under the lending test, loan products evaluated include home-purchase and home-improvement loans and refinancing of such loans [collectively titled Home Mortgage Disclosure Act (HMDA) loans], small business and small farm loans, and community development loans.

The HMDA and small business loan data reviewed for purposes of this evaluation covered the period from January 1, 2011 through December 31, 2012. Community development loans, investments and services reviewed covered the entire evaluation period. Susquehanna's HMDA and small business loans were compared to the aggregate of all lenders in the bank's assessment areas reporting HMDA loans and small business loans. These data are reported annually and the most recent year for which aggregate data is available is 2011.

For purposes of evaluating the geographic distribution of loans, census tracts were classified on the basis of 2000 U.S. Census data for loans originated in 2011 and on the basis of 2010 U.S. Census data for loans originated in 2012. The distribution of loans to borrowers of different income levels was evaluated based on annually-adjusted median family income data made available by the U.S. Department of Housing and Urban Development (HUD).

A large majority of the bank's lending and operations were in the following assessment areas: Lancaster; York-Hanover-Gettysburg; Philadelphia-Camden; Hagerstown; Baltimore; Reading; Harrisburg; south central Pennsylvania, and Atlantic City. Accordingly, full reviews of the bank's performance in these nine assessment areas were performed.

Limited reviews of the bank's CRA performance were conducted for the remaining assessment areas. In Pennsylvania: Allentown, north central Pennsylvania, Scranton, State College, Lebanon, and Williamsport. In Maryland: Garrett County, Allegany County, and Worcester County. In New Jersey: Vineland.

Written documentation of interviews conducted with community representatives, prepared by the Federal Reserve and other regulatory agencies were reviewed during the course of the evaluation.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

Performance under the lending test is assessed as high satisfactory.



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**Lending Activity**

Bank lending levels reflect good responsiveness to assessment area credit needs. As of December 31, 2012, net loans represented 71% of assets, compared to 68% at Susquehanna's previous evaluation. The bank's national peer group was at 61%.<sup>1</sup> Susquehanna's loan-to-deposit ratio measured 100% as of December 31, 2012, compared to a peer group average of 78%. This ratio was consistent with performance during the previous evaluation, and although higher than the peer, demonstrates the bank is funding loan activity.

Susquehanna's home-mortgage, small business, and small farm lending activity during the period evaluated is summarized in the following table.

| <b>SUSQUEHANNA BANK<br/>SUMMARY OF LENDING ACTIVITY</b> |               |            |                    |            |
|---|---------------|------------|--------------------|------------|
| <b>Loan Type</b>  | <b>#</b>      | <b>%</b>   | <b>\$(000s)</b>    | <b>%</b>   |
| <b>Total Consumer related</b>                           | <b>0</b>      | <b>0</b>   | <b>0</b>           | <b>0</b>   |
| Home Improvement  | 768           | --         | 75,205             | --         |
| Home Purchase   | 4,463         | --         | 969,988            | --         |
| Multifamily Housing                                     | 84            | --         | 129,219            | --         |
| Refinancing   | 3,123         | --         | 747,125            | --         |
| <b>Total HMDA Loans</b>                                 | <b>8,438</b>  | <b>56</b>  | <b>\$1,921,537</b> | <b>63</b>  |
| Small Business  | 6,142         | --         | 1,056,490          | --         |
| <b>Total Small Business Loans</b>                       | <b>6,142</b>  | <b>41</b>  | <b>\$1,056,490</b> | <b>35</b>  |
| Small Farm  | 506           | --         | 63,038             | --         |
| <b>Total Small Farm Loans</b>                           | <b>506</b>    | <b>3</b>   | <b>63,038</b>      | <b>2</b>   |
| <b>TOTAL LOANS</b>                                      | <b>15,086</b> | <b>100</b> | <b>\$3,041,065</b> | <b>100</b> |

**Assessment Area Concentration**

Susquehanna's home-mortgage, small business and small farm lending was analyzed to determine the volume of loans extended inside and outside of the assessment areas as delineated for purposes of CRA. The table below indicates that 92% of the total number of HMDA loans reported during the evaluation period, and 86% of the dollar amount of HMDA loans reported were extended in the bank's assessment areas.

With respect to small business loans, 95% of the number of small business loans were extended within the bank's assessment areas, while 94% of the dollar amount of such loans were extended in the bank's assessment areas. For small farm loans, 87% of the number of small farm loans were extended within the bank's assessment areas, while 86% of the dollar amount of such loans were extended in the bank's assessment areas.

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<sup>1</sup> Susquehanna Bank's national peer group includes all insured commercial banks having assets in excess of \$3 billion.

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The table below shows the distribution of lending inside and outside of the bank's assessment areas, indicating a substantial majority of loans are inside its assessment areas.

| SUSQUEHANNA BANK<br>LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA |               |             |                  |             |              |             |                |             |
|--|---------------|-------------|------------------|-------------|--------------|-------------|----------------|-------------|
|  | Inside        |             |                  |             | Outside      |             |                |             |
|  | #             | %           | \$(000s)         | %           | #            | %           | \$(000s)       | %           |
| Home Improvement   | 726           | 94.5        | 65,581           | 87.2        | 42           | 5.5         | 9,624          | 12.8        |
| Home Purchase-Conventional   | 3,034         | 91.6        | 659,482          | 83.6        | 280          | 8.4         | 129,641        | 16.4        |
| Home Purchase-FHA  | 973           | 95.4        | 144,118          | 90.3        | 47           | 4.6         | 10,813         | 7.0         |
| Home Purchase-VA   | 125           | 96.9        | 24,385           | 94.0        | 4            | 3.1         | 1,549          | 6.0         |
| Multifamily Housing  | 81            | 96.4        | 127,664          | 98.8        | 3            | 3.6         | 1,555          | 1.2         |
| Refinancing  | 2,838         | 90.9        | 621,801          | 83.2        | 285          | 9.1         | 125,324        | 16.8        |
| <b>Total HMDA Loans</b>  | <b>7,777</b>  | <b>92.2</b> | <b>1,643,031</b> | <b>85.5</b> | <b>661</b>   | <b>7.8</b>  | <b>278,506</b> | <b>14.5</b> |
| Small Business   | 5,814         | 94.7        | 992,151          | 93.9        | 328          | 5.3         | 64,339         | 6.1         |
| <b>Total Small Business Loans</b>                                  | <b>5,814</b>  | <b>94.7</b> | <b>992,151</b>   | <b>93.9</b> | <b>328</b>   | <b>5.3</b>  | <b>64,339</b>  | <b>6.1</b>  |
| Small Farm   | 439           | 86.8        | 54,072           | 85.8        | 67           | 13.2        | 8,966          | 14.2        |
| <b>Total Small Farm Loans</b>                                      | <b>439</b>    | <b>86.8</b> | <b>54,072</b>    | <b>85.8</b> | <b>67</b>    | <b>13.2</b> | <b>8,966</b>   | <b>14.2</b> |
| <b>TOTAL LOANS</b>   | <b>14,030</b> | <b>93.0</b> | <b>2,689,254</b> | <b>88.4</b> | <b>1,056</b> | <b>7.0</b>  | <b>351,811</b> | <b>11.6</b> |

Note: Affiliate loans not included

**Geographic Distribution of Lending and Borrower Characteristics**

The geographic distribution of loans reflects good penetration throughout the bank's 19 assessment areas, including low- and moderate-income areas, given the economics and demographics of the assessment areas. The overall distribution of borrowers reflects good penetration among retail customers of different income levels and businesses of different sizes.

Susquehanna's use of innovative and flexible lending programs to address specific credit needs of low- and moderate-income borrowers and small businesses in its assessment areas has enhanced its home-mortgage and small business lending profiles. The bank developed a proprietary home-mortgage loan product targeted to low- and moderate-income borrowers. In addition, the bank participated in flexible loan programs such as the Farmers Home Administration Rural Housing Program.

The bank participated in loan programs specific to particular assessment areas, such as the Healthy Neighborhoods, Inc. program in Baltimore, and the Keys to Success program in the Philadelphia area. The bank also originated loans through programs offered by the Pennsylvania Housing Finance Agency (PHFA) for low- and moderate-income first-time homebuyers, or homebuyers in targeted areas.

Further, in an effort to expand its lending to small businesses, Susquehanna participated in the U.S. Small Business Administration's (SBA) lender program. Over the evaluation period, the bank originated a total of 71 SBA loans totaling \$53 million.

Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the Consolidated Reports of Condition and Income reported by Susquehanna as of December 31, 2012, indicates that 22% of the bank's commercial loans outstanding were small business loans. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less, as detailed in the table on the following page.

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| <b>SUSQUEHANNA BANK<br/>COMMERCIAL LOAN PORTFOLIO</b>                  |  |                |
|--|--|----------------|
|  | <b>AMOUNT OUTSTANDING<br/>AS OF 12/30/2012 (\$000)</b> | <b>PERCENT</b> |
| Loans with original amounts of \$100,000 or less                       | 105,708  | 2              |
| Loans with original amounts of more than \$100,000 through \$250,000   | 236,964  | 4              |
| Loans with original amounts of more than \$250,000 through \$1,000,000 | 872,689  | 16             |
| <b>TOTAL SMALL BUSINESS LOANS</b>                                      | <b>1,215,361</b>                                       | <b>22</b>      |
| Loans with original amounts of greater than \$1,000,000                | 4,320,000  | 78             |
| <b>TOTAL COMMERCIAL LOANS</b>  | <b>5,535,361</b>                                       | <b>100%</b>    |

Susquehanna originated small farm loans to address the credit needs of small farms in several of its assessment areas. The bank reported \$74 million in small farm loans outstanding as of December 31, 2012, as detailed in the following table. A small farm loan is defined as a loan with an origination amount of \$500 thousand or less and secured by farmland, a loan to finance agricultural production, or other loans to farmers.

| <b>SUSQUEHANNA BANK<br/>SMALL FARM LOANS</b>                         |  |                |
|--|--|----------------|
|  | <b>AMOUNT OUTSTANDING<br/>AS OF 12/31/2012 (\$000)</b> | <b>PERCENT</b> |
| Loans with original amounts of \$100,000 or less                     | 9,095  | 12             |
| Loans with original amounts of more than \$100,000 through \$250,000 | 21,795   | 30             |
| Loans with original amounts of more than \$250,000 through \$500,000 | 43,276   | 58             |
| <b>TOTAL SMALL FARM LOANS</b>  | <b>\$74,166</b>  | <b>100%</b>    |

**Community Development Loans**

Susquehanna is a leader in making community development loans in its assessment areas. During the review period, the bank originated 65 community development loans, aggregating \$141.2 million, compared to \$132 million in loans at the previous CRA evaluation. A majority of the community development loan dollars (57%, totaling \$80.3 million) supported economic development, while 25% of loan dollars (\$35.6 million) supported the provision of community development services. Fifteen percent of loan dollars (\$21.8 million) supported affordable housing and the remaining 3% (\$3.5 million) supported activities which revitalized or stabilized low- and moderate-income areas.

Of the bank's 65 community development loans, 62 such loans, aggregating \$124.9 million (95% of the total by number) were inside the bank's assessment areas.

Community development loans by assessment area are detailed in the table on the following page.

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| <b>SUSQUEHANNA BANK<br/>COMMUNITY DEVELOPMENT LOANS</b> |   |   |
|---|---|---|
| <b>Assessment Area</b>                                  | <b># of Community<br/>Development Loans</b> | <b>\$ Amount of Community<br/>Development Loans</b> |
| <b>COMMONWEALTH OF PENNSYLVANIA</b>                     |   |   |
| Lancaster   | 14  | \$18,345,695  |
| North Central   | 3   | 4,150,000   |
| York  | 7   | 15,596,448  |
| Harrisburg  | 3   | 5,669,000   |
| Reading   | 0   | 0   |
| South Central   | 2   | 2,242,000   |
| Scranton  | 1   | 5,662,500   |
| Allentown   | 1   | 200,000   |
| State College   | 1   | 3,064,932   |
| Lebanon   | 0   | 0   |
| Williamsport  | 0   | 0   |
| <b>Totals for Pennsylvania</b>                          | <b>32</b>                                   | <b>\$54,930,575</b>                                 |
| <b>STATE OF NEW JERSEY</b>                              |   |   |
| Vineland  | 6   | 30,438,880  |
| Atlantic City   | 1   | 50,000  |
| <b>Totals for New Jersey</b>                            | <b>7</b>                                    | <b>\$30,488,880</b>                                 |
| <b>STATE OF MARYLAND</b>                                |   |   |
| Baltimore   | 5   | 10,800,000  |
| Garrett   | 0   | 0   |
| Worchester  | 0   | 0   |
| Allegany  | 0   | 0   |
| <b>Totals for Maryland</b>                              | <b>5</b>                                    | <b>\$10,800,000</b>                                 |
| <b>MULTISTATE MSA</b>                                   |   |   |
| Philadelphia-Camden                                     | 13  | 27,515,545  |
| <b>MULTISTATE MSA</b>                                   |   |   |
| Hagerstown-Martinsburg                                  | 5   | 1,205,000   |
| <b>Loans Outside The Assessment Areas</b>               | <b>3</b>                                    | <b>16,246,000</b>                                   |
| <b>Total Community Development Loans</b>                | <b>65</b>                                   | <b>\$141,186,000</b>                                |

**INVESTMENT TEST**

Performance under the investment test is assessed as high satisfactory.

Susquehanna has a significant level of qualified community development investments and grants throughout its assessment areas. Investments totaling \$65.5 million primarily support affordable housing initiatives in the bank's assessment areas. For the Commonwealth of Pennsylvania, qualified investments totaled \$26.8 million, or 41% of Susquehanna's total investments. For the state of Maryland, qualified investments totaled \$9.9 million, or 15% of the bank's total investments. For the state of New Jersey, qualified investments totaled \$5.6 million, or 9% of total investments.

Qualified community development investments in the Hagerstown-Martinsburg MD-WV multi-state MSA totaled \$2.1 million, or 3% of Susquehanna's total investments. Qualified investments in the Philadelphia-Camden PA-NJ multi-state MSA totaled \$21.1 million, or 32% of total investments.

**SERVICE TEST**

Susquehanna is rated high satisfactory under the service test.

The bank provides a significant level of community development services. Numerous bank officers and employees serve in various capacities on boards and committees of community development organizations across the assessment areas. Of note, employees are active in a number of community development programs with a financial education mission.

Susquehanna's delivery systems are reasonably accessible to essentially all portions of its assessment area, including low- and moderate-income census tracts. Alternative delivery systems such as automated teller machines and telephone and Internet banking, are accessible to essentially all portions of the bank's assessment areas. In addition, Susquehanna offers deposit accounts that expand access to banking services for low- and moderate-income individuals and small businesses.

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

No evidence of discriminatory or other illegal credit practices, inconsistent with helping to meet community credit needs, was identified.

## MULTISTATE METROPOLITAN AREA

### CRA RATING FOR THE PHILADELPHIA-CAMDEN ASSESSMENT AREA<sup>2</sup>

| Performance Test | Performance Level |
|------------------|-------------------|
| Lending          | High Satisfactory |
| Investment       | Outstanding       |
| Service          | Outstanding       |
| Overall          | Outstanding       |

### **SUMMARY OF MAJOR FACTORS SUPPORTING RATING**

Major factors contributing to this rating include the following.

- The geographic distribution of loans reflects good penetration throughout the assessment area.
- The distribution of borrowers reflects excellent penetration among retail customers of different income levels and good penetration among business customers of different sizes.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- The bank is a leader in making community development loans in the assessment area.
- The bank has an excellent level of qualified community development investments and grants, often in a leadership position.
- The bank is a leader in providing community development services in its Philadelphia-Camden assessment area.

### **SCOPE OF EXAMINATION**

Susquehanna's CRA performance in the Philadelphia-Camden assessment area was evaluated for the period from March 15, 2011 through May 6, 2013. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA, pursuant to the Interagency Procedures and Guidelines for Large Retail Institutions. Under the lending test, loan products evaluated included home-purchase and home-improvement loans and refinancing of such loans (collectively titled HMDA loans), small business loans and other loans that qualified as community development. For purposes of evaluating the geographic distribution of loans, loans originated in 2011 were analyzed on the basis of 2000 U.S. Census data. Loans originated in 2012 were analyzed on the basis of 2010 U.S. Census data.

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<sup>2</sup>This rating reflects overall performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained within the multistate metropolitan area.

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For purposes of CRA, Susquehanna's Philadelphia-Camden assessment area is comprised of two metropolitan divisions (MD): the Philadelphia MD, which consists of Delaware, Chester, Montgomery, Bucks and Philadelphia Counties in Pennsylvania, and the Camden MD, which consists of Camden, Burlington, and Gloucester Counties in New Jersey.

### **DESCRIPTION OF ASSESSMENT AREA**

Susquehanna operates 57 branches in the Philadelphia-Camden assessment area. Of these branches, 40 are located in Pennsylvania (20 branches in Montgomery County, 14 in Chester County, four in Delaware County, and two in Philadelphia County). There are 17 branches in New Jersey (eight in Camden County, five in Burlington County and four in Gloucester County).

According to the 2000 Census, the bank's Philadelphia-Camden assessment area consisted of 1,305 census tracts, of which 140 were low-income and 241 moderate-income. The substantial majority of low-income tracts were located in the cities of Philadelphia (109 tracts, or 78%), Camden (18 tracts, or 13%), and Chester (8 tracts, or 6%). An additional four low-income tracts were in Pennsylvania (three in Delaware County and one in Montgomery County), and one in New Jersey (Burlington County). Eleven percent of the assessment area's population resided in these low-income census tracts.

Of the 241 moderate-income census tracts, more than half (140 tracts, or 61%) were in the city of Philadelphia, and three tracts, or 1%, were in the city of Camden. An additional 52 tracts were in Pennsylvania (22 in Delaware County, 11 in Montgomery County, 11 in Bucks County, and 8 in Chester County). In New Jersey, 22 moderate-income tracts were in Camden County (outside of the city of Camden), 18 were in Burlington County and six in Gloucester County. Nineteen percent of the assessment area's population resided in the moderate-income census tracts.

As of the 2010 Census, the Philadelphia-Camden assessment area had 1,302 census tracts, 173 of which were low-income and 238 moderate-income. The substantial majority of the low-income tracts were again located in the cities of Philadelphia (140 tracts, or 81%), Camden (15 tracts, or 5%), and Chester (8 tracts, or 6%). An additional ten low-income tracts were located in Pennsylvania (three in Chester County, five in Delaware County, and two in Montgomery County). Thirteen percent of the assessment area's population resided in these low-income census tracts.

Of the 238 moderate-income census tracts, more than half (112 tracts, or 47%) were in the city of Philadelphia, and two tracts, or 1%, were in the city of Camden. An additional 66 moderate-income tracts were in Pennsylvania (31 in Delaware County, 16 in Montgomery County, 13 in Bucks County, and 6 in Chester County). In New Jersey, 26 moderate-income tracts were in Camden County (outside of the city of Camden), 23 moderate-income tracts were in Burlington County, and 9 were in Gloucester County. Nineteen percent of the assessment area's population resided in the moderate-income census tracts.

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**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
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Performance in the Philadelphia-Camden assessment area was evaluated in terms of the demographic and business context in which it operates. According to the Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits, as of June 30, 2012, 117 depository institutions operated in the Philadelphia MSA. These institutions maintained a total of 1,659 branches holding \$128.5 billion in deposits. Susquehanna, with 62 branches in the market as of June 30, 2012, ranked 8<sup>th</sup>, with \$3.0 billion, or less than 1% of the retail deposit market. ING Bank held the largest share of deposits with 2.4% of the market. Approximately 24% of Susquehanna's total deposits come from its Philadelphia assessment area branches.

The Philadelphia-Camden assessment area is a highly competitive marketplace in which large super-regional banks compete with numerous community banks, savings and loan associations, credit unions and non-financial institutions. Susquehanna's major competitors include Wells Fargo Bank, NA; TD Bank, NA; Citizens Bank of Pennsylvania; PNC Bank, NA; Bank of America, NA; Beneficial Mutual Savings Bank; and Sovereign Bank, NA (now Santander Bank, NA).

Susquehanna's home-mortgage loans were compared to the aggregate of all lenders in the market reporting HMDA loans. These data are reported annually, and 2011 is the most recent year for which aggregate data was available. The bank ranks 59<sup>th</sup> with a market share of less than 1%, in a market with 728 HMDA reporters. Wells Fargo Bank, NA, ranked 1<sup>st</sup> with 18% of the market.

Among small business lenders, Susquehanna ranks 21<sup>st</sup> in the assessment area with 0.5% of all loans reported in the market. According to 2011 aggregate CRA data, 162 small business loan reporters collectively originated 85,707 small business loans in the assessment area in 2011. American Express Bank, FSB was ranked first with 32% of the market. Because CRA small business loan reporting includes small business loans issued by reporters under corporate credit card arrangements, the reporters with the highest rankings include national credit card originators such as American Express Bank, FSB; Chase Bank USA, NA; Citibank, NA; U.S. Bank NA; Capital One Bank NA; Citibank NA; and FIA Card Services, NA. Together, these institutions originated 61% of total small business loans reported.

Written documentation of interviews conducted with community representatives, prepared by the Federal Reserve and other regulatory agencies, was reviewed during the course of the evaluation to provide some perspective on the credit needs of the assessment area. Community representatives identified a need for affordable rental housing for the assessment area's low-income population. Operating capital for non-profit community groups and lending and technical assistance for small- and medium-sized businesses were also cited as a credit need in the assessment area. Community contacts also agreed that financial literacy and homeownership counseling were pressing needs.



**ECONOMIC CHARACTERISTICS**

Philadelphia is the largest city in Pennsylvania and the sixth-largest city in the nation with a population of 1.4 million, according to the 2010 Census data. The Philadelphia metropolitan area, with a population of 6.0 million, is the fifth-largest in the nation. The local work force is primarily service-oriented, with education and healthcare services as the most active segment of the economy, accounting for 23% of employment. The largest private sector employers in the Philadelphia MSA are Jefferson Health System, the University of Pennsylvania, the University of Pennsylvania Health System, Merck and Co., Main Line Health System, Children’s Hospital of Philadelphia, ARAMARK Corporation, and The Vanguard Group.

The strengths of the local economy continue to be its position as a center for health services and medical research, its concentration of well-regarded educational institutions, a relatively stable housing market, and a well-developed port. In addition, according to Moody’s Economy.com (Moody’s), the assessment area economy benefited from new casino businesses. Nonetheless, Moody’s notes that the city of Philadelphia has a high city wage tax, weak population growth, and an old and aging infrastructure.

Within Camden County, NJ, is the city of Camden. Of the city’s 21 census tracts, 18 were designated as low-income and three were moderate-income according to the 2000 Census. As of the 2010 Census, the city had 19 census tracts, of which 15 were low-income, two were moderate-income and two were middle-income. According to the 2010 Census, the median family income for the city was \$29,063, with 82% of families designated as low- or moderate-income. Families living below the poverty level represented 34% of total families. According to Moody’s, the city of Camden is the U.S.’s poorest city, with a poverty rate that is more than double the national average of 15% and a median income that is less than a quarter of the nation’s.

Camden’s strengths include a prime waterfront area situated directly across the Delaware River from Philadelphia, and the low costs of living and doing business for the region. Weaknesses include the high crime and poverty rates in Camden, and a low per capita income relative to both the state and the region. The city of Camden is in particularly poor fiscal shape, and relies on the state of New Jersey for a majority of its funding.

Unemployment rates for the assessment area are presented in the following tables. Philadelphia and Camden Counties have the highest unemployment rates of the seven counties in the assessment area.

| <b>PENNSYLVANIA<br/>UNEMPLOYMENT RATES</b> |                          |                          |
|--|--------------------------|--------------------------|
| <b>Locations</b>                           | <b>December<br/>2011</b> | <b>December<br/>2012</b> |
| Bucks County                               | 6.7                      | 7.2                      |
| Chester County                             | 5.5                      | 5.9                      |
| Delaware County                            | 7.4                      | 7.9                      |
| Montgomery County                          | 6.3                      | 6.6                      |
| Philadelphia County                        | 10.4                     | 10.5                     |
| Philadelphia Metro Division                | 7.7                      | 8.1                      |
| Philadelphia MSA                           | 8                        | 8.3                      |
| Pennsylvania                               | 7.9                      | 7.9                      |

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**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
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| NEW JERSEY<br>UNEMPLOYMENT RATES |                  |                  |
|----------------------------------|------------------|------------------|
| Locations                        | December<br>2011 | December<br>2012 |
| Camden County                    | 9.9              | 10.4             |
| Burlington County                | 8.6              | 9                |
| Gloucester County                | 9                | 9.7              |
| City of Camden                   | 18.6             | 18.1             |
| Camden MD                        | 9.2              | 9.7              |
| New Jersey                       | 8.9              | 9.3              |

## HOUSING

### 2000 Census Data

The assessment area contained 2 million housing units, 65% of which were owner-occupied. Owner-occupancy rates in low- and moderate-income census tracts were lower at 43% and 53%, respectively, and lagged owner-occupancy levels in middle- (68%) and upper-income (77%) tracts. The statewide owner-occupancy rates were 65% for Pennsylvania and 61% for New Jersey.

Single family units comprised 73% of the housing units, while multifamily units comprised 15%, two-to-four family units comprised 10%, and mobile homes 1%. Thirty-seven percent of all housing units in the assessment area were located in the city of Philadelphia. The median housing value was \$119,647 in the assessment area and there was a significant disparity between the median housing value in the upper-income census tracts (\$187,769) and that in low-income (\$34,269) and moderate-income (\$61,250) tracts. The median value in middle-income tracts was \$112,188. A state comparison shows that the median housing value in Pennsylvania (\$94,800) is significantly lower than in New Jersey (\$167,900).

According to the 2000 Census, median gross rent (rent plus utilities) in the assessment area was \$648 per month, with 39% of renters paying more than 30% of their income for housing. Median rent in Pennsylvania was lower at \$531, with 35% of renters paying more than 30% of income for housing statewide. In New Jersey, median rent was high at \$751, with 37% of renters paying more than 30% of income for housing.

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending. In the bank's assessment area, according to the 2000 Census, 8% of owner-occupied units were located in low-income census tracts, 18% were in moderate-income tracts, 40% were in middle-income tracts, and 34% were in upper-income tracts. Of the 310,000 owner-occupied units located in low- and moderate-income tracts, 75% were located in the city of Philadelphia.

## **2010 Census Data**

According to the 2010 Census, the assessment area contained 2.1 million housing units, 64% of which were owner-occupied. Owner occupancy rates in low- and moderate-income tracts were 38% and 52%, respectively, which lagged owner-occupancy levels in middle- and upper-income tracts of 68% and 77%, respectively. The statewide owner-occupancy rates were 63% for Pennsylvania and 61% for New Jersey. Single family units comprised 74% of the assessment area's housing units, while multifamily units comprised 16%, two-to-four family units comprised 10%, and mobile homes 1%. Thirty-one percent of all housing units in the assessment area were located in the City of Philadelphia.

At the 2010 Census, the median housing value was \$242,561 in the assessment area. There was a significant disparity between the median housing value in the area's upper-income census tracts (\$358,408) and that in low-income (\$77,105) and moderate-income (\$229,878) tracts. A state comparison shows that the median housing value in Pennsylvania (\$159,290) is significantly lower than in New Jersey (\$356,961). Moody's estimates that the average existing home price in the Philadelphia MD increased by 3% to \$221,800 in 2012, compared to \$216,100 in 2011. Moody's estimates that the average existing home price in the Camden MD decreased by 3% from \$186,500 in 2011, compared to \$181,700 in 2012.

According to the 2010 Census, median gross rent in the assessment area was \$915 per month with 48% of renters paying more than 30% of their income for housing. Median rent in Pennsylvania was lower at \$739, with 46% of renters paying more than 30% of income for housing statewide. In New Jersey, median rent was high at \$1,092, with 50% of renters paying more than 30% of income for housing.

A March 2010 study<sup>3</sup> by the Federal Reserve Bank of Philadelphia identified five counties in the Commonwealth of Pennsylvania with severe affordable housing shortages, three of which are in the bank's Philadelphia assessment area (Delaware, Bucks and Montgomery). In addition, community contacts identified affordable housing as a critical need in the assessment area due to the high cost of housing. The higher housing costs in the suburban areas continue to significantly limit homeownership opportunities for low- and moderate-income families.

According to the 2010 Census, 9% of owner-occupied units are located in low-income census tracts, 15% were in moderate-income tracts, 36% were in middle-income tracts, and 40% in upper-income tracts. Of the 324,000 thousand owner-occupied units located in low- and moderate-income census tracts, 66% were located in the city of Philadelphia.

## **BORROWER INCOME DATA**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available by HUD. According to 2000 Census data, the median family income for the Philadelphia assessment area was \$58,441, higher than \$49,184 for Pennsylvania, but lower than \$65,370 for New Jersey.

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<sup>3</sup> *Affordability and Availability of Rental Housing in Pennsylvania*, Community Affairs Department of the Federal Reserve Bank of Philadelphia.

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According to the 2000 Census, of the total families in the assessment area, 21% were designated as low-income and 17% were moderate-income. Families living below the poverty level represented 8% of the total families in the assessment area. In the city of Philadelphia, 18% of families lived below the poverty level, compared to 33% in the city of Camden. In Pennsylvania, 8% of families lived below the poverty level, compared to 6% in New Jersey.

At the 2010 Census, 23% of assessment area families were designated as low-income and 17% as moderate-income. Families living below the poverty level represented 9% of families in the assessment area. In the city of Philadelphia, 20% of families lived below the poverty level, compared to 34% in the city of Camden. In Pennsylvania, 9% of families lived below the poverty level, compared to 7% in New Jersey.

### **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. According to available business data, in 2011, 6% of businesses in the assessment area were located in low-income census tracts and 14% were in moderate-income tracts. The majority of businesses were located in middle-income (36%) and upper-income (43%) tracts. In 2012, 8% of businesses were located in low-income census tracts and 13% were in moderate-income tracts. The majority of businesses were located in middle-income (33%) and upper-income (46%) tracts.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the tables on the following pages.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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| SUSQUEHANNA BANK<br>PHILADELPHIA-CAMDEN ASSESSMENT AREA DEMOGRAPHICS<br>2011 |  |                                    |                          |                  |  |                      |                           |              |
|--|--|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution                     |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                                      | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 140                                    | 10.7                               | 122,530                  | 9.6              | 42,251   | 34.5                 | 271,098                   | 21.2         |
| Moderate-income  | 241                                    | 18.5                               | 288,202                  | 17.8             | 33,097   | 14.5                 | 222,577                   | 17.4         |
| Middle-income  | 508                                    | 38.9                               | 500,015                  | 39.0             | 21,445   | 4.3                  | 274,232                   | 21.4         |
| Upper-income   | 393                                    | 30.1                               | 430,150                  | 33.6             | 7,717  | 1.8                  | 512,990                   | 40.0         |
| Unknown income   | 23                                     | 1.8                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>1,305</b>                           | <b>100.0</b>                       | <b>1,280,897</b>         | <b>100.0</b>     | <b>104,510</b>                                     | <b>8.2</b>           | <b>1,280,897</b>          | <b>100.0</b> |
|  | Housing Units by Tract                 | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |  | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                                      | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 225,001                                | 96,306                             | 7.3                      | 42.8             | 88,546   | 39.4                 | 40,149                    | 17.8         |
| Moderate-income  | 406,770                                | 214,212                            | 16.2                     | 52.7             | 154,206  | 37.9                 | 38,352                    | 9.4          |
| Middle-income  | 780,678                                | 532,867                            | 40.4                     | 68.3             | 213,572  | 27.4                 | 34,239                    | 4.4          |
| Upper-income   | 608,883                                | 476,449                            | 36.1                     | 78.2             | 113,778  | 18.7                 | 18,656                    | 3.1          |
| Unknown income   | 353                                    | 13                                 | 0.0                      | 3.7              | 2  | 0.6                  | 338                       | 95.8         |
| <b>Total Assessment Area</b>   | <b>2,021,685</b>                       | <b>1,319,847</b>                   | <b>100.0</b>             | <b>65.3</b>      | <b>570,104</b>                                     | <b>28.2</b>          | <b>131,734</b>            | <b>6.5</b>   |
|  | Total Businesses by Tract              | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |  | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                                      | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 18,885                                 | 6.2                                | 16,599                   | 6.1              | 1,163  | 5.7                  | 1,123                     | 9.8          |
| Moderate-income  | 42,189                                 | 13.8                               | 37,395                   | 13.6             | 2,719  | 13.3                 | 2,075                     | 18.0         |
| Middle-income  | 110,968                                | 36.3                               | 99,498                   | 36.3             | 7,191  | 35.2                 | 4,279                     | 37.2         |
| Upper-income   | 132,081                                | 43.2                               | 119,183                  | 43.5             | 8,977  | 43.9                 | 3,921                     | 34.1         |
| Unknown income   | 1,793                                  | 0.6                                | 1,295                    | 0.5              | 389  | 1.9                  | 109                       | 0.9          |
| <b>Total Assessment Area</b>   | <b>305,916</b>                         | <b>100.0</b>                       | <b>273,970</b>           | <b>100.0</b>     | <b>20,439</b>                                      | <b>100.0</b>         | <b>11,507</b>             | <b>100.0</b> |
|  | <b>Percentage of Total Businesses:</b> |                                    |                          | <b>89.6</b>      |  | <b>6.7</b>           |                           | <b>3.8</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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| SUSQUEHANNA BANK<br>PHILADELPHIA-CAMDEN ASSESSMENT AREA DEMOGRAPHICS<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 173                             | 13.3                               | 145,953                  | 11.5             | 50,123   | 34.3                 | 287,018                   | 22.6         |
| Moderate-income  | 238                             | 18.3                               | 211,688                  | 16.6             | 28,323   | 13.4                 | 214,084                   | 16.8         |
| Middle-income  | 448                             | 34.4                               | 439,648                  | 34.5             | 21,173   | 4.8                  | 253,041                   | 19.9         |
| Upper-income   | 426                             | 32.7                               | 475,407                  | 37.4             | 10,190   | 2.1                  | 518,633                   | 40.7         |
| Unknown income   | 17                              | 1.3                                | 80                       | 0.0              | 44   | 55.0                 | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>1,302</b>                    | <b>100.0</b>                       | <b>1,272,776</b>         | <b>100.0</b>     | <b>109,853</b>                                     | <b>8.6</b>           | <b>1,272,776</b>          | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 302,710                         | 115,167                            | 8.5                      | 38.0             | 131,461  | 43.4                 | 56,082                    | 18.5         |
| Moderate-income  | 400,993                         | 209,085                            | 15.4                     | 52.1             | 150,004  | 37.4                 | 41,904                    | 10.5         |
| Middle-income  | 722,829                         | 488,291                            | 35.9                     | 67.6             | 189,925  | 26.3                 | 44,613                    | 6.2          |
| Upper-income   | 707,549                         | 547,453                            | 40.3                     | 77.4             | 125,180  | 17.7                 | 34,916                    | 4.9          |
| Unknown income   | 524                             | 51                                 | 0.0                      | 9.7              | 348  | 66.4                 | 125                       | 23.9         |
| <b>Total Assessment Area</b>   | <b>2,134,605</b>                | <b>1,360,047</b>                   | <b>100.0</b>             | <b>63.7</b>      | <b>596,918</b>                                     | <b>28.0</b>          | <b>177,640</b>            | <b>8.3</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 22,941                          | 7.7                                | 20,264                   | 7.6              | 1,309  | 6.5                  | 1,368                     | 11.8         |
| Moderate-income  | 39,249                          | 13.2                               | 34,825                   | 13.1             | 2,454  | 12.3                 | 1,970                     | 17.1         |
| Middle-income  | 98,785                          | 33.2                               | 88,005                   | 33.1             | 6,850  | 34.2                 | 3,930                     | 34.0         |
| Upper-income   | 135,378                         | 45.5                               | 122,091                  | 45.9             | 9,101  | 45.5                 | 4,186                     | 36.2         |
| Unknown income   | 1,243                           | 0.4                                | 840                      | 0.3              | 305  | 1.5                  | 98                        | 0.8          |
| <b>Total Assessment Area</b>   | <b>297,596</b>                  | <b>100.0</b>                       | <b>266,025</b>           | <b>100.0</b>     | <b>20,019</b>                                      | <b>100.0</b>         | <b>11,552</b>             | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>89.4</b>      |  |                      | <b>6.7</b>                | <b>3.9</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is rated high satisfactory in the Philadelphia-Camden assessment area.<sup>4</sup>

**Geographic Distribution of Lending**

An analysis of the geographic distribution of Susquehanna's HMDA and small business loans reflects adequate penetration throughout the Philadelphia-Camden assessment area.

**Home Mortgage Lending**

Susquehanna originated 1,241 home-mortgage loans, aggregating \$286 million, in the Philadelphia-Camden assessment area during the evaluation period. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

<sup>4</sup> The information used to evaluate lending activity by Susquehanna is detailed in the Loan Distribution Tables contained in Appendix B.

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According to 2000 Census data, which was used as the proxy for 2011 lending activity, 7% of the Philadelphia-Camden assessment area’s owner-occupied housing stock is located in low-income census tracts and 16% was in moderate-income tracts. Likewise, according to the 2010 Census, which was used as the proxy for Susquehanna’s 2012 lending activity, 9% of owner-occupied units were located in low- income tracts and 15% were in moderate-income tracts. Of the total owner-occupied units located in low-and moderate-income census tracts, approximately 66% were in the city of Philadelphia.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, compared to applicable owner-occupied housing proxies and available aggregate lending levels in the assessment area.

| SUSQUEHANNA BANK<br>PHILADELPHIA-CAMDEN ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL |                                      |                                      |                       |                     |                       |
|--|--------------------------------------|--------------------------------------|-----------------------|---------------------|-----------------------|
| Income Level   | % Owner Occupied Units (2000 Census) | % Owner Occupied Units (2010 Census) | Aggregate Comparison  |                     |                       |
|  |                                      |                                      | 2011                  |                     | 2012*                 |
|  |                                      |                                      | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low  | 7                                    | 9                                    | 1                     | 2                   | 7                     |
| Moderate   | 16                                   | 15                                   | 6                     | 11                  | 8                     |
| Middle   | 41                                   | 36                                   | 44                    | 38                  | 36                    |
| Upper  | 36                                   | 40                                   | 49                    | 49                  | 49                    |
| Unknown  | 0                                    | 0                                    | 0                     | 0                   | 0                     |
| <b>Total</b>   | <b>100%</b>                          | <b>100%</b>                          | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

The geographic distribution of home-mortgage loans reflects adequate dispersion throughout the assessment area, taking into consideration the bank’s increased lending volume in the assessment area, aggregate lending levels and patterns, and assessment area demographics.

**Lending in Low-Income Census Tracts**

**2000 Census Data**

Based on aggregate lending levels, lending opportunities in the assessment area’s low-income census tracts, during 2011, appear limited. Because of such limited lending opportunities, Susquehanna’s HMDA lending in low-income census tracts was considered adequate. In 2011, neither Susquehanna, nor aggregate lenders made a significant number of home-mortgage loans in low-income census tracts. In 2011, 1% percent of the bank’s loans financed properties in low-income census tracts, compared to an aggregate HMDA lending level of just 2% of loans. Both Susquehanna and the aggregate were below the applicable housing proxy of 7%.

A product comparison of 2011 HMDA lending shows Susquehanna made 4% of its home-purchase loans in low-income census tracts. The bank made no refinance loans, home-improvement loans, or loans for multifamily housing in low-income tracts in 2011. By comparison, aggregate 2011 HMDA loan data shows 4% of all home-purchase loans, 2% of all refinance loans and 6% of all home-improvement loans were made in low-income tracts in the assessment area. In addition, 15% of all loans to finance multifamily housing were made in low-income tracts.

## **2010 Census Data**

In 2012, the bank's HMDA lending increased significantly (45%) in the Philadelphia-Camden assessment area, compared to its 2011 lending. Lending in low-income census tracts also increased, equaling 7% of total bank loans. Although Susquehanna's lending increased, it remained below the applicable housing proxy of 9%. Aggregate 2012 data were not available at the time of the evaluation for review or comparison.

A product comparison of 2012 HMDA lending shows Susquehanna made 10% of its home-purchase loans, 5% of its refinance loans, and 3% of its home-improvement loans in low-income census tracts. The bank made no loans for multifamily housing in low-income census tracts in 2012. Loan data shows Susquehanna continued to make home-purchase loans in low-income tracts, and improved its efforts at making refinance and home-improvement loans in such tracts.

## **Lending in Moderate-Income Census Tracts**

### **2000 Census Data**

In 2011, 6% of bank loans financed properties in moderate-income census tracts, which was below both the applicable housing proxy of 16% in moderate-income tracts and the 2011 aggregate HMDA lending level of 11% of all loans.

In 2011, Susquehanna made 10% of its home-purchase loans, 2% of its refinance loans, and 4% of its home-improvement loans in moderate-income census tracts. The bank made no loans for multifamily housing in moderate-income tracts in 2011. By comparison, Susquehanna's lending levels were below 2011 aggregate lending levels of 15% for all home-purchase loans, 8% for refinance loans, and 16% for home-improvement loans. Susquehanna's absence of lending to finance multifamily housing in moderate-income tracts contrasts sharply with the 2011 aggregate lending level of 24%.

### **2010 Census Data**

In 2012, the bank's lending penetration in moderate-income tracts increased substantially to 8% of loans, well below the applicable housing proxy of 15%. Aggregate 2012 data were not available at the time of the evaluation for review or comparison.

In 2012, Susquehanna made 11% of its home-purchase loans, 3% of its refinance loans, and 7% of its home-improvement loans in moderate-income census tracts. The bank made 50% of its loans for multifamily housing in moderate-income tracts. Although 2012 aggregate HMDA data were not available for review at the time of the evaluation, it is noted that the bank's lending increased in each of the loan product categories in 2012.

Overall, Susquehanna's home-mortgage lending in low- and moderate-income census tracts is adequate in the context of assessment area demographics. The evaluation takes into consideration that owner-occupied housing in the low- and moderate-income census tracts is highly concentrated in the city of Philadelphia. Susquehanna's ability to lend in the city is somewhat limited in that the bank operates only two branches in the city, both of which opened since 2009.



**Small Business Lending**

The geographic distribution of Susquehanna’s small business loans reflects adequate dispersion throughout the assessment area, in context of the assessment area’s economic characteristics during the evaluation period.

During the period evaluated, the bank originated 1,037 small business loans, aggregating \$172 million, in the Philadelphia assessment area. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business lending. Available small business data shows that in 2011, 6% of the assessment area’s businesses operated in low-income census tracts, while 14% were in moderate-income tracts. Likewise, in 2012, 8% of the assessment area’s businesses operated in low-income census tracts, while 13% were in moderate-income tracts.

The table below shows a comparison of Susquehanna’s lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

| SUSQUEHANNA BANK<br>PHILADELPHIA-CAMDEN ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS |                                   |                                   |                       |                     |                       |
|--|-----------------------------------|-----------------------------------|-----------------------|---------------------|-----------------------|
| Census Tract Type  | % Businesses by Tract Type (2011) | % Businesses by Tract Type (2012) | Aggregate Comparison  |                     |                       |
|  |                                   |                                   | 2011                  |                     | 2012*                 |
|  |                                   |                                   | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low  | 6                                 | 8                                 | 4                     | 4                   | 2                     |
| Moderate   | 14                                | 13                                | 7                     | 10                  | 7                     |
| Middle   | 36                                | 33                                | 41                    | 34                  | 31                    |
| Upper  | 43                                | 46                                | 48                    | 50                  | 60                    |
| Unknown  | 1                                 | 0                                 | 0                     | 2                   | 0                     |
| <b>Total</b>   | <b>100%</b>                       | <b>100%</b>                       | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

**Lending in Low-Income Census Tracts**

In 2011, Susquehanna originated 4% of its small business loans in the assessment area’s low-income census tracts, which was less than the applicable loan demand proxy of 6% of businesses, but equal to the aggregate lending level of 4% of all small business loans in low-income tracts.

In 2012, Susquehanna had a lower level of small business lending in the assessment area’s low-income tracts (2%), which was less than the applicable proxy of 8% of businesses. Aggregate 2012 small business loan data was not available at the time of the evaluation for comparison.

Susquehanna’s lending levels in low-income tracts over the evaluation period is assessed as adequate. The 2011 aggregate lending level of just 4%, and the small number of businesses operating in the assessment area’s low-income tracts, indicates limited lending opportunities for all banks in these areas.

### **Lending in Moderate-Income Census Tracts**

Susquehanna's 2011 lending level of 7% in the assessment area's moderate-income census tracts was higher than the bank's lending in low-income tracts, but below the applicable loan demand proxy of 14% of businesses in moderate-income tracts. Susquehanna's lending was also below the aggregate lending level of 10% for moderate-income tracts.

In 2012, the bank's lending level in moderate-income tracts remained unchanged at 7%, and remained below the applicable business proxy of 13%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

Based on aggregate lending levels, lending opportunities in the assessment area's moderate-income census tracts, during 2011 and 2012, appear limited. Because of such limited lending opportunities, Susquehanna's HMDA lending in these census tracts was considered adequate. Over the evaluation period, neither Susquehanna, nor aggregate lenders made a significant number of small business loans in low- or moderate-income census tracts.

Participation in community development initiatives that address the specific credit needs of low- and moderate-income areas supplement Susquehanna's small business lending profile in this assessment area. For a discussion of these efforts, see the Community Development Lending section below and the Service Test starting on page 28 of this evaluation.

### **Distribution of Loans by Borrower Income Level and Revenue Size of the Business**

Given the Philadelphia-Camden assessment area's demographics and economic characteristics, the distribution of borrowers reflects good penetration among retail customers of different income levels and businesses of different sizes.

#### **Home Mortgage Lending**

Susquehanna's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, is considered good given the assessment area's demographics and economic characteristics.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, the 2000 Census data show that 21% of assessment area families are low-income and 17% are moderate-income. The 2010 Census data show that 23% of assessment area families are low-income and 17% are moderate-income.

Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. During the evaluation period, Susquehanna originated 1,241 home-mortgage loans, aggregating \$286 million, in the Philadelphia-Camden assessment area during the evaluation period. This was a substantial increase in lending activity from the previous CRA evaluation where the bank made 523 HMDA loans in the assessment area in 2009 and 2010, in an aggregate amount of \$148 million.

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The following table compares Susquehanna’s lending to aggregate lending levels over the time period reviewed, using median family income as a proxy for loan demand.

| SUSQUEHANNA BANK<br>PHILADELPHIA-CAMDEN ASSESSMENT AREA<br>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL |  |  |                       |                     |                       |
|--|--|--|-----------------------|---------------------|-----------------------|
| Income Level   | % Families by Income Level (2000 Census) | % Families by Income Level (2010 Census) | Aggregate Comparison  |                     |                       |
|  |  |  | 2011                  |                     | 2012*                 |
|  |  |  | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low  | 21                                       | 23                                       | 8                     | 7                   | 7                     |
| Moderate   | 17                                       | 17                                       | 21                    | 17                  | 26                    |
| Middle   | 22                                       | 20                                       | 23                    | 21                  | 24                    |
| Upper  | 40                                       | 40                                       | 41                    | 40                  | 35                    |
| Unknown  | 0  | 0  | 7                     | 15                  | 8                     |
| <b>Total</b>   | <b>100%</b>                              | <b>100%</b>                              | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

### Lending to Low-Income Borrowers

In assessing the level of the bank’s lending among low-income borrowers, the evaluation takes into consideration the challenge of addressing the home-mortgage credit needs of low-income families and individuals through conventional loan products in the Philadelphia-Camden assessment area. As noted previously, the 2000 Census data show that 39% of the assessment area’s renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. The updated 2010 Census showed that 48% of renters expended more than 30% of gross income for housing. Given that challenge, Susquehanna was especially effective in extending home-purchase mortgage loans to low-income borrowers.

### 2000 Census Data

In 2011, 8% of the bank’s home-mortgage loans were to low-income borrowers in the assessment area. The bank’s lending exceeded the 2011 aggregate lending level of 7% to low-income borrowers, however, both bank and aggregate lending levels were well below the loan demand proxy of 21% of low-income families in the assessment area.

For 2011, Susquehanna originated 12% of its home-purchase loans, 5% of its refinance loans, and 4% of its home-improvement loans to low-income borrowers, exceeding the aggregate lending levels of 11% for home-purchase loans, meeting the aggregating lending level of 5% for refinance loans, but falling below the 15% for home-improvement loans to low-income borrowers.

### **2010 Census Data**

In 2012, 7% of the bank's home-mortgage loans were to low-income borrowers in the assessment area, which was below the applicable loan demand proxy of 23% of families. Although aggregate 2012 HMDA data were not available at the time of the evaluation for comparison, examiners noted that Susquehanna increased its total lending in the assessment area by 44% in 2012, compared to its 2011 lending. Lending to low-income borrowers increased by 23%.

Similar to its 2011 lending level, during 2012, Susquehanna originated 9% of its home-purchase loans, 5% of its refinance loans, and 6% of its home-improvement loans to low-income borrowers.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, Susquehanna's overall level of HMDA lending to moderate-income borrowers was higher than its lending levels to low-income borrowers. Despite such challenges and obstacles, Susquehanna's overall level of HMDA lending to moderate-income borrowers is considered excellent.

### **2000 Census Data**

In 2011, 21% of Susquehanna's loans were to moderate-income borrowers in the assessment area, exceeding both the 2011 aggregate lending level of 17% and the loan demand proxy of 17% of moderate-income families.

During 2011, Susquehanna originated 27% of its home-purchase loans, 17% of its refinance loans, and 20% of its home-improvement loans to moderate-income borrowers, exceeding the aggregate lending levels of 22% for all home-purchase loans and 14% for all refinance loans, but slightly below the aggregate level of 21% for all home-improvement loans.

### **2010 Census Data**

In 2012, 26% of the bank's loans were to moderate-income borrowers, which exceeded the loan demand proxy of 17% of moderate-income families. Susquehanna originated 39% of its home-purchase loans, 16% of its refinance loans, and 11% of its home-improvement loans to moderate-income borrowers in 2012.

Overall analysis shows that Susquehanna's lending to both low- and moderate-income borrowers is excellent in the Philadelphia-Camden assessment area. Participation in innovative and flexible lending programs helped the bank address the specific credit needs of low- and moderate-income borrowers and enhanced its home-mortgage lending profile.

The bank offered a proprietary residential mortgage product developed for low- and moderate-income borrowers. The product allows for flexible underwriting standards and below-market interest rates, with no private mortgage insurance requirement. During the evaluation period, Susquehanna originated 194 loans, aggregating \$31.5 million, under the program in the Philadelphia-Camden assessment area.

Susquehanna also partnered with the Greater Camden Partnership in offering loans to first-time homebuyers who both work, and are purchasing homes, in the city of Camden. The product includes a reduced interest rate and low down payment requirement. Susquehanna made two loans to borrowers through this program during the evaluation period.

In addition to mortgage lending, Susquehanna offered other loan products that supported the low- and moderate-income population. Through a partnership with Family Services of Montgomery County, Susquehanna funded and serviced automobile loans to low- and moderate-income families unable to access conventional credit. *Keys to Success* is a transportation loan program that provides funds to purchase or repair vehicles, giving families or individuals the ability to work. Borrowers participated in a financial education component of the program. Over the evaluation period, a total of 117 loans were originated, aggregating \$417 thousand. These loans were serviced by Susquehanna at no expense to the agency.

Susquehanna also made numerous community development loans which support affordable housing in this assessment area. See the Community Development Lending section of this evaluation on page 27 for additional details on these loans.

### **Lending to Businesses of Different Sizes**

Susquehanna's distribution of loans to businesses in the Philadelphia assessment area reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the bank's Philadelphia-Camden assessment area is used as a proxy to estimate demand for small business credit in the assessment area. According to available small business data, in 2011 there were 305,916 businesses operating in the assessment area, with 90% designated as small businesses, or reporting annual revenues of less than \$1 million. In 2012, the number of businesses in the assessment area decreased to 297,516, with 89% designated as small businesses.

In 2011, Susquehanna originated 427 small business loans, aggregating \$78 million. Of those loans, 37% were originated to small businesses, which is below the aggregate lending level of 43% of all loans in the assessment area. Small business loans were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. In 2011, 72% of the bank's small business loans were extended in an amount of \$100 thousand or less. Aggregate data for 2011 show that 93% of all small business loans made in the assessment area during that year were originated in amounts of \$100 thousand or less.

The bank's 2012 small business loan data shows that it originated 610 small business loans, aggregating \$94.6 million. Of these loans, 22% were extended to small businesses and 59% were extended in an amount of \$100 thousand or less.

In considering the aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the Philadelphia-Camden assessment area, 2011 aggregate data show American Express Bank, FSB; Chase Bank USA NA; Citibank NA; Capital One Bank, NA; U.S. Bank NA; and FIA Card Services, NA, accounted for 27% of all small business loans. Aggregate 2012 data were not available at the time of the evaluation for comparison.

### **Community Development Lending**

Susquehanna is a leader in making community development loans in the Philadelphia-Camden assessment area. During the period evaluated, the bank originated 13 community development loans totaling \$27.5 million. More than half of these loan dollars (\$14 million) supported economic development in the assessment area. An additional \$7.2 million in loans supported the provision of community development services and \$3.8 million supported affordable housing in the assessment area. The remaining \$2.5 million supported efforts to revitalize and stabilize low- and moderate-income individuals and areas of the bank's Philadelphia-Camden assessment area.

Susquehanna also issued 11 commercial letters of credit that qualified as community development because the letters provide the necessary credit support for community development initiatives inside the Philadelphia-Camden assessment area. The eleven letters of credit, aggregating \$35.3 million, supported revitalization and community service initiatives in the city of Camden, as well as affordable housing and redevelopment activities in Norristown and Pottstown in Montgomery County.

### **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified community development investments that serve low- or moderate-income census tracts or individuals. The test also considers the innovativeness and complexity of these investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is assessed as outstanding in the Philadelphia-Camden assessment area. Of Susquehanna's total current investments, 36% are attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has an excellent level of qualified community development investments and grants in the assessment area. Investments totaling \$20.2 million primarily support affordable housing initiatives (90%). The remaining 10% of investment dollars support both the provision of community development services and economic development in the assessment area.

Of Susquehanna's total investments in this assessment area, \$16.5 million are targeted mortgage-backed securities containing residential mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. The bank also holds \$366 thousand in low-income housing tax credits (LIHTCs). The LIHTC program allows the bank to make direct investments in affordable housing projects.

The bank holds \$1.8 million in Pennsylvania and New Jersey state mortgage revenue bonds. Bond programs finance housing for low- and moderate-income families in the Philadelphia-Camden assessment area, including the cities of Philadelphia and Camden. Susquehanna also holds more than \$1 million in investments in several area loan funds. These investment vehicles provide financial and technical assistance to community development initiatives throughout the Philadelphia-Camden assessment area.

In addition to investments, the bank made grants and contributions to various organizations that routinely provide affordable housing and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$482 thousand in qualified grants and donations that benefit the Philadelphia-Camden assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs. The bank's investments primarily support an expressed need for workforce housing in suburban areas, as well as affordable housing in urban centers for a significant number of low- and moderate income families.

### **SERVICE TEST**

The bank's performance under the service test is assessed as outstanding in the Philadelphia-Camden assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are reasonably accessible to essentially all portions of the bank's Philadelphia-Camden assessment area. In 2011, Susquehanna operated 59 branches in the assessment area with five of those branches, or 9%, located in low- or moderate-income census tracts. By comparison, 30% of the assessment area population resided in the low- and moderate-income tracts. In 2012, there were 62 branches in the assessment area, with six of those branches, or 9%, located in low- or moderate-income tracts. By comparison, 32% of the assessment area population resided in the low- and moderate-income tracts. In addition to its branch locations, Susquehanna's corporate offices are located in a low-income tract in the city of Camden.

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The following table details the locations of the bank's branches and the population served.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>PHILADELPHIA-CAMDEN ASSESSMENT AREA |                    |                     |                  |                       |
|---|--------------------|---------------------|------------------|-----------------------|
| 2011 (Demographics based on 2000 Census)  |                    |                     |                  |                       |
| Census Tract Type   | Number of Branches | Percent of Branches | Population       | Percent of Population |
| Low-income  | 1                  | 2                   | 540,433          | 11                    |
| Moderate-income   | 4                  | 7                   | 950,755          | 19                    |
| Middle-income   | 25                 | 42                  | 1,931,483        | 38                    |
| Upper-income  | 29                 | 49                  | 1,607,719        | 32                    |
| Unknown income  | NA                 | N/A                 | 6,256            | <1                    |
| <b>Totals</b>   | <b>59</b>          | <b>100%</b>         | <b>5,036,646</b> | <b>100%</b>           |
| 2012 (Demographics based on 2010 Census)  |                    |                     |                  |                       |
| Census Tract Type   | Number of Branches | Percent of Branches | Population       | Percent of Population |
| Low-income  | 2                  | 3                   | 717,918          | 14                    |
| Moderate-income   | 4                  | 6                   | 922,123          | 18                    |
| Middle-income   | 27                 | 44                  | 1,757,011        | 33                    |
| Upper-income  | 29                 | 47                  | 1,843,149        | 35                    |
| Unknown income  | NA                 | N/A                 | 19,472           | <1                    |
| <b>Totals</b>   | <b>62</b>          | <b>100%</b>         | <b>5,259,673</b> | <b>100%</b>           |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. Mobile banking includes text banking which, as a subset of its mobile banking services, is a convenience to customers who do not have internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24 hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and some are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers three dollars per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.



*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

### **Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income census tracts. During the CRA evaluation period, Susquehanna acquired 28 additional branches in the assessment area. The increase in branches is attributed to two acquisitions: Abington Savings Bank and Graystone Tower Bank. The bank closed eight branches (three middle-income and five upper-income) acquired in the Graystone Tower merger. Of these eight closed branches, seven were within three miles of an existing Susquehanna branch and one branch was within five miles of an existing branch. Three closed branches were located in senior living facilities.

### **Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

### **Community Development Services**

Susquehanna is a leader in providing community development services in the assessment area. Numerous bank officers and employees serve in various capacities on boards of community development organizations, participate on loan and finance committees, make presentations for small business development, homeownership, and financial literacy programs, and provide credit counseling and technical expertise. Most notably:

- In Philadelphia, a Susquehanna employee serves on the boards of four organizations that address affordable housing and economic revitalization needs in the Philadelphia area. These organizations include the Urban Affairs Coalition, Clarifi, Inc., Career Wardrobe and the Center for Literacy.
- In Camden, three bank employees serve on the boards of nine community development organizations: Camden County Workforce, Camden County Hispanic Chamber of Commerce, Camden Promise Neighborhoods, Coopers Ferry Partnership with Cramer Hill Community Development Corporation, Heart of Camden, Neighborhood Housing Services of Camden, New Jersey Academy for Aquatic Sciences, Woodland Community Development and the Camden County Chamber of Commerce.
- Three bank employees serve as committee members for two community development organizations in Montgomery County: Community Lenders Development Corporation and Genesis Housing Corporation

- In Chester County, employees serve as committee members for two community development organizations: Honey Brook Community Partnership and Chester County Economic Development.

Susquehanna also partners with groups to improve financial literacy within the assessment area. For example, a bank employee works with the Center for Literacy in Philadelphia and two employees work with the Neighborhood Housing Services of Camden to deliver financial education and home ownership training to area residents.

## MULTISTATE METROPOLITAN AREA

### CRA RATING FOR THE HAGERSTOWN ASSESSMENT AREA<sup>5</sup>

| Performance Test | Performance Level |
|------------------|-------------------|
| Lending          | High Satisfactory |
| Investment       | High Satisfactory |
| Service          | Outstanding       |
| Overall          | Satisfactory      |

### **SUMMARY OF MAJOR FACTORS SUPPORTING RATING**

Major factors contributing to this rating include the following.

- The geographic distribution of loans reflects good penetration throughout the assessment area.
- The distribution of borrowers, given the product lines offered by the bank, reflects good penetration among retail customers of different income levels and business customers of different sizes.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, specifically low-income individuals and very small businesses, consistent with safe and sound banking practices.
- The bank is a leader in making community development loans in the assessment area.
- The bank has an excellent level of qualified community development investments and grants.
- The bank is a leader in providing community development services in this assessment area.

### **SCOPE OF EXAMINATION**

Susquehanna's CRA performance in the Hagerstown assessment area was evaluated for the period from March 15, 2011 through May 6, 2013. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA, pursuant to the Interagency Procedures and Guidelines for Large Retail Institutions. Under the lending test, loan products evaluated included home-purchase and home-improvement loans and refinancing of such loans (collectively titled HMDA loans), small business loans and other loans that qualified as community development. For purposes of evaluating the geographic distribution of loans, loans originated in 2011 were analyzed on the basis of 2000 U.S. Census data. Loans originated in 2012 were analyzed on the basis of 2010 U.S. Census data.

### **DESCRIPTION OF ASSESSMENT AREA**

The Hagerstown-Martinsburg, MD-WV, MSA (Hagerstown MSA) includes Washington County in Maryland and Berkeley and Morgan Counties in West Virginia. For purposes of this CRA evaluation, Susquehanna has designated only Washington and Berkeley Counties as its assessment area.

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<sup>5</sup> This rating reflects overall performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained within the multistate metropolitan area.

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The Hagerstown assessment area is situated in north central Maryland and northeastern West Virginia. According to 2000 Census data, the bank's assessment area consists of 43 census tracts, of which one was low-income and nine were moderate-income. The one low-income tract and six moderate-income tracts were located in the city of Hagerstown, MD. The remaining three moderate-income tracts were located in the city of Martinsburg, WV. Eighteen percent of the assessment area's population resides within the low- and moderate-income census tracts.

As of the 2010 Census, the assessment area consisted of 46 census tracts, of which two were low-income and ten were moderate-income tracts. One low-income tract and six moderate-income tracts were in the city of Hagerstown, and one low-income tract and three moderate-income tracts were in the city of Martinsburg. The one remaining moderate-income census tract was located in Hancock Township, MD.

Susquehanna's performance in the Hagerstown assessment area was evaluated in terms of the demographic and business context in which it operates. The assessment area is a fairly competitive market with a few large regional banking organizations and numerous community banks. Based on deposits reported to the FDIC as of June 30, 2012, 18 depository institutions operated 85 branches in the assessment area, holding \$3.1 billion in deposits. Susquehanna operated 15 branches in the assessment area with \$759 million in deposits, or 6% of the bank's total deposits. Susquehanna ranks first in the assessment area, with 24% of the retail deposit market.

Susquehanna's home-mortgage lending was compared to the aggregate of all lenders in the market reporting HMDA loans. These data are reported annually and 2011 is the most recent year for which aggregate data was available. The bank ranks 11<sup>th</sup> in the assessment area with 2% of all such loan originations and purchases. Wells Fargo Bank NA ranks 1<sup>st</sup>, with 18% of HMDA loans reported in the assessment area.

Among small business lenders, Susquehanna ranks third in the assessment area with 8% of all loans reported in the market. According to 2011 aggregate CRA data, there were a total of 52 small business loan reporters in the Hagerstown assessment area. These 52 reporters collectively originated 2,750 small business loans in the assessment area in 2011.

## **ECONOMIC CHARACTERISTICS**

The Hagerstown MSA's economic growth has fallen behind that of the state of Maryland and the U.S. as a whole. The manufacturing sector in the assessment area has been in decline, and employment in retail trade slipped in late 2012. Although rising slightly, foreclosures are at a low level. Housing prices in the Hagerstown MSA have bottomed out. Moody's Analytics shows that the average existing house price fell 42% over the past five years, from its peak of \$223,000 in 2006 to a low of \$130,700 in 2011. Home prices rose slightly (4%) to \$135,300 in 2012. According to Moody's, the housing slowdown has had a pronounced effect on the broader Hagerstown economy, resulting in reduced household wealth.

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Assessment area strengths include Hagerstown's easy access to major transportation routes, its proximity to Washington, DC, and Baltimore, MD, and its position as the retail outlet center for western Maryland and southeastern Pennsylvania. Continued weaknesses include the area's high exposure to manufacturing industries that are sensitive to business cycle fluctuations and a low educational attainment level.

Major employers in the area include Meritus Health, Citicorp Credit Services, First Data Corporation, the Veterans Administration Center, and Volvo Powertrain North America. Susquehanna's local banking competitors include Columbia Bank and Centra Bank. Super-regionals such as Manufacturers and Traders Trust Company Bank, PNC Bank NA, and Sovereign Bank (now Santander Bank, NA) are also strong in this market.

The following table presents unemployment rates for the assessment area and the state.

| <b>Locations</b>           | <b>December 2011</b> | <b>December 2012</b> |
|----------------------------|----------------------|----------------------|
| Washington County, MD      | 8.8%                 | 8.5%                 |
| Berkeley County, WV        | 7.1%                 | 6.0%                 |
| Hagerstown-Martinsburg MSA | 8.0%                 | 7.5%                 |
| West Virginia              | 7.1%                 | 7.3%                 |
| Maryland                   | 6.7%                 | 6.6%                 |

Interviews with community leaders and local bankers noted the following credit needs in the assessment area: (1) financing and technical assistance for area small businesses; (2) operating capital for non-profit community groups; and (3) affordable housing for the area's low-income seniors.

## **HOUSING**

### **2000 Census Data**

The bank's Hagerstown assessment area contained 85,885 housing units, of which 64% were owner-occupied, 29% were rental units and 8% were vacant. Single-family units comprise 71% of total housing units, while multifamily units comprise 11%, mobile homes 10%, and two-to-four family units 8%. According to 2000 Census data, in the low-income census tract the level of owner-occupancy was just 13%, while rental units accounted for 73% of all housing. In moderate-income census tracts, owner-occupancy was 41%, while rental units accounted for 51% of housing.

At the 2000 Census, the median housing value in the assessment area was \$104,301, significantly lower than the median housing value of \$143,300 for the state of Maryland, but higher than \$66,000 in West Virginia. A significant disparity existed between the median housing value in the assessment area's upper-income census tracts (\$130,228) and in the low-income (\$66,552) and moderate-income (\$78,291) census tracts.

## **2010 Census Data**

According to the 2010 Census data, the Hagerstown assessment area contained 103,929 housing units, of which 64% were owner-occupied, 27% were rental units and 9% are vacant. Single-family units comprise 75% of total housing units, while multifamily units comprise 11%, mobile homes 9%, and two-to-four family units 6%. According to 2010 Census data, in the low-income census tracts the level of owner-occupancy increased to 18%, while rental units accounted for 64% of all housing. In moderate-income census tracts, owner-occupancy was 42%, while rental units accounted for 48% of housing.

The median housing value in the assessment area increased to \$218,334 as of the 2010 Census, but was significantly lower than the median housing value of \$329,400 for the state of Maryland, and significantly higher than \$94,500 in West Virginia. A significant disparity existed between the median housing value in the assessment area's upper-income census tracts (\$263,918) and in the low-income (\$159,112) and moderate-income (\$164,692) census tracts.

Although recent housing prices in the assessment area have fallen sharply, prices are still high relative to the assessment area's median income, limiting homeownership opportunities for low- and moderate-income families. Housing in Hagerstown is still more affordable than in the neighboring metropolitan areas of Washington, DC and Baltimore, MD, and migration to Hagerstown from those areas continues to occur.

## **BORROWER INCOME DATA**

According to 2000 Census data, the median family income for the Hagerstown assessment area was \$47,065, compared to \$61,876 for the state of Maryland and \$36,484 for the state of West Virginia. Of the 55,081 families in the Hagerstown assessment area, 18% were designated as low-income and 19% were moderate-income, according to 2000 Census data. Families living below the poverty level represented 8% of the total families in the assessment area. In the state of Maryland, 6% of families live below the poverty level, compared to 14% in West Virginia.

According to 2010 Census data, the median family income for the Hagerstown assessment area was \$64,313, compared to \$85,098 for the state of Maryland and \$48,896 for the state of West Virginia. Of the 64,292 families in the Hagerstown assessment area, 19% are designated as low-income and 19% are moderate-income, according to 2010 Census data. Families living below the poverty level represent 7% of the total families in the assessment area. In the state of Maryland, 6% of families live below the poverty level, compared to 13% in West Virginia.

HUD has reported that the adjusted median family income for the Hagerstown assessment area in 2011 was \$65,000, increasing to \$65,900 in 2012.

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**GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. According to 2011 business demographics, 13,770 businesses were located in the Hagerstown assessment area. Of these businesses, 3% were located in the low-income census tract and 17% were in moderate-income tracts. The majority of businesses (61%) were in middle-income tracts and 19% were in upper-income tracts. Business demographic data also revealed that of the 13,770 businesses in the assessment area, 92% were small businesses. A small business is defined as a business with gross annual revenues of \$1 million or less.

In 2012, 12,895 businesses were located in the Hagerstown assessment area. Of these businesses, 4% were located in the low-income census tracts and 19% were in moderate-income tracts. The majority of businesses (51%) were in middle-income tracts and 26% were in upper-income tracts. Business demographic data also revealed that of the 12,895 businesses in the assessment area, 92% were small businesses.

The demographics used in assessing Susquehanna's performance under CRA are detailed in the following tables.

| SUSQUEHANNA BANK<br>HAGERSTOWN ASSESSMENT AREA DEMOGRAPHICS<br>2011 |  |                                    |                          |              |  |              |                           |              |
|---|--|------------------------------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories   | Tract Distribution                     |                                    | Families by Tract Income |              | Families < Poverty Level as % of Families by Tract |              | Families by Family Income |              |
|   | #                                      | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income  | 1                                      | 2.3                                | 437                      | 0.8          | 148  | 33.9         | 9,844                     | 17.9         |
| Moderate-income   | 9                                      | 20.9                               | 8,526                    | 15.5         | 1,401  | 16.4         | 10,233                    | 18.6         |
| Middle-income   | 24                                     | 55.8                               | 35,862                   | 65.1         | 2,290  | 6.4          | 13,224                    | 24.0         |
| Upper-income  | 8                                      | 18.6                               | 10,256                   | 18.6         | 358  | 3.5          | 21,780                    | 39.5         |
| Unknown income  | 1                                      | 2.3                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>43</b>                              | <b>100.0</b>                       | <b>55,081</b>            | <b>100.0</b> | <b>4,197</b>                                       | <b>7.6</b>   | <b>55,081</b>             | <b>100.0</b> |
|   | Housing Units by Tract                 | Housing Types by Tract             |                          |              |  |              |                           |              |
|   |  | Owner-occupied                     |                          |              | Rental   |              | Vacant                    |              |
|   | #                                      | #                                  | %                        | %            | #  | %            | #                         | %            |
| Low-income  | 1,361                                  | 170                                | 0.3                      | 12.5         | 999  | 73.4         | 192                       | 14.1         |
| Moderate-income   | 16,003                                 | 6,543                              | 12.0                     | 40.9         | 8,124  | 50.8         | 1,336                     | 8.3          |
| Middle-income   | 53,773                                 | 37,121                             | 68.0                     | 69.0         | 12,272   | 22.8         | 4,380                     | 8.1          |
| Upper-income  | 14,748                                 | 10,717                             | 19.6                     | 72.7         | 3,349  | 22.7         | 682                       | 4.6          |
| Unknown income  | 0                                      | 0                                  | 0.0                      | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>85,885</b>                          | <b>54,551</b>                      | <b>100.0</b>             | <b>63.5</b>  | <b>24,744</b>                                      | <b>28.8</b>  | <b>6,590</b>              | <b>7.7</b>   |
|   | Total Businesses by Tract              | Businesses by Tract & Revenue Size |                          |              |  |              |                           |              |
|   |  | Less Than or = \$1 Million         |                          |              | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|   | #                                      | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income  | 457                                    | 3.3                                | 404                      | 3.2          | 32   | 5.0          | 21                        | 4.3          |
| Moderate-income   | 2,290                                  | 16.6                               | 2,024                    | 16.0         | 159  | 25.1         | 107                       | 22.1         |
| Middle-income   | 8,340                                  | 60.6                               | 7,743                    | 61.2         | 324  | 51.1         | 273                       | 56.4         |
| Upper-income  | 2,679                                  | 19.5                               | 2,478                    | 19.6         | 118  | 18.6         | 83                        | 17.1         |
| Unknown income  | 4                                      | 0.0                                | 3                        | 0.0          | 1  | 0.2          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>13,770</b>                          | <b>100.0</b>                       | <b>12,652</b>            | <b>100.0</b> | <b>634</b>   | <b>100.0</b> | <b>484</b>                | <b>100.0</b> |
|   | <b>Percentage of Total Businesses:</b> |                                    |                          | <b>91.9</b>  | <b>4.6</b>   | <b>3.5</b>   |                           |              |

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| SUSQUEHANNA BANK<br>HAGERSTOWN ASSESSMENT AREA DEMOGRAPHICS<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 2                               | 4.3                                | 1,184                    | 1.8              | 424  | 35.8                 | 12,342                    | 19.2         |
| Moderate-income   | 10                              | 21.7                               | 11,359                   | 17.7             | 1,967  | 17.3                 | 12,074                    | 18.8         |
| Middle-income   | 23                              | 50.0                               | 35,256                   | 54.8             | 1,891  | 5.4                  | 13,826                    | 21.5         |
| Upper-income  | 10                              | 21.7                               | 16,493                   | 25.7             | 461  | 2.8                  | 26,050                    | 40.5         |
| Unknown income  | 1                               | 2.2                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>46</b>                       | <b>100.0</b>                       | <b>64,292</b>            | <b>100.0</b>     | <b>4,743</b>                                       | <b>7.4</b>           | <b>64,292</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 2,993                           | 546                                | 0.8                      | 18.2             | 1,919  | 64.1                 | 528                       | 17.6         |
| Moderate-income   | 21,382                          | 8,896                              | 13.5                     | 41.6             | 10,180   | 47.6                 | 2,306                     | 10.8         |
| Middle-income   | 55,563                          | 38,635                             | 58.5                     | 69.5             | 11,491   | 20.7                 | 5,437                     | 9.8          |
| Upper-income  | 23,991                          | 17,961                             | 27.2                     | 74.9             | 4,521  | 18.8                 | 1,509                     | 6.3          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>103,929</b>                  | <b>66,038</b>                      | <b>100.0</b>             | <b>63.5</b>      | <b>28,111</b>                                      | <b>27.0</b>          | <b>9,780</b>              | <b>9.4</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 490                             | 3.8                                | 437                      | 3.7              | 37   | 6.3                  | 16                        | 3.6          |
| Moderate-income   | 2,463                           | 19.1                               | 2,214                    | 18.7             | 137  | 23.3                 | 112                       | 25.5         |
| Middle-income   | 6,643                           | 51.5                               | 6,149                    | 51.8             | 272  | 46.2                 | 222                       | 50.5         |
| Upper-income  | 3,295                           | 25.6                               | 3,063                    | 25.8             | 142  | 24.1                 | 90                        | 20.5         |
| Unknown income  | 4                               | 0.0                                | 3                        | 0.0              | 1  | 0.2                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>12,895</b>                   | <b>100.0</b>                       | <b>11,866</b>            | <b>100.0</b>     | <b>589</b>   | <b>100.0</b>         | <b>440</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>92.0</b>      |  |                      | <b>4.6</b>                | <b>3.4</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is assessed as high satisfactory in the Hagerstown assessment area.

**Geographic Distribution of Lending**

An analysis of the geographic distribution of loans reflects good dispersion throughout the Hagerstown assessment area, including low- and moderate-income census tracts.

**Home Mortgage Lending**

Susquehanna originated 349 home-mortgage loans, aggregating \$59.4 million, in the Hagerstown assessment area during the evaluation period. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.



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According to 2000 Census data, less than 1% of the Hagerstown assessment area’s owner-occupied housing stock was located in the low-income census tract and 12% was in the moderate-income tracts. Likewise, according to the 2010 Census data, 1% of owner-occupied units are in the assessment area’s low-income tracts and 14% of units were in moderate-income tracts.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and the available aggregate lending levels in the assessment area.

| <b>SUSQUEHANNA BANK<br/>HAGERSTOWN ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL</b> |   |   |                              |                            |                              |
|--|---|---|------------------------------|----------------------------|------------------------------|
| <b>Income Level</b>  | <b>% Owner-occupied Units (2000 Census)</b> | <b>% Owner-occupied Units (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 0.3   | 1   | 0                            | 0.1                        | 1                            |
| Moderate   | 12  | 14  | 14                           | 9                          | 11                           |
| Middle   | 68  | 58  | 64                           | 71                         | 59                           |
| Upper  | 19.7  | 27  | 22                           | 20                         | 29                           |
| Unknown  | 0   | 0   | 0                            | 0                          | 0                            |
| <b>Total</b>   | <b>100%</b>                                 | <b>100%</b>                                 | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

#### **2000 Census Data**

Home-mortgage lending opportunities in the assessment area’s one low-income census tract were severely limited for all banks as there were just 170 owner-occupied housing units located in this tract. In 2011, Susquehanna did not make any home-mortgage loans in the one low-income census tract. Moreover, aggregate 2011 HMDA data shows that for all institutions, only three HMDA loans were originated in this tract.

#### **2010 Census Data**

According to the 2010 Census data, there are now two low-income census tracts, with 546 owner-occupied housing units, in the Hagerstown assessment area. Susquehanna originated two home-mortgage loans (1% of its total loans) in the low-income tracts in 2012. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

### **Lending in Moderate-Income Census Tracts**

For purposes of the evaluation, the analysis of the geographic distribution of Susquehanna’s home-mortgage lending focused on the assessment area’s moderate-income census tracts.

### **2000 Census Data**

In 2011, Susquehanna's HMDA lending level in moderate-income census tracts was excellent. Fourteen percent of bank loans financed properties in such tracts, which was above the applicable housing proxy of 12% in moderate-income tracts. Bank lending also exceeded the 2011 aggregate HMDA lending level of 9% of loans in moderate-income tracts.

In 2011, Susquehanna made 17% of its home-purchase loans, 9% of its refinance loans, and 9% of its home-improvement loans in moderate-income census tracts. The bank also made 50% of its loans for multifamily housing in moderate-income tracts. By comparison, Susquehanna's lending levels exceeded 2011 aggregate lending levels of 10% for all home-purchase loans and 8% for refinance loans, and met the aggregate lending level of 9% for home-improvement loans made in moderate-income tracts. Susquehanna's level of lending to finance multifamily housing in moderate-income tracts compares favorably to the aggregate lending level of 18%.

### **2010 Census Data**

In 2012, Susquehanna made 16% of its home-purchase loans, and 6% of its refinance loans in moderate-income census tracts. The bank made no home-improvement loans or for multifamily housing in moderate-income tracts in 2012.

Susquehanna's geographic distribution of home-mortgage loans reflects excellent dispersion throughout the assessment area, taking into consideration the assessment area's demographics and economic characteristics, as well as the aggregate lending volumes and lending patterns in the assessment area.

### **Small Business Lending**

The geographic distribution of Susquehanna's small business loans reflects excellent dispersion throughout the assessment area, in context of the assessment area's economic characteristics during the evaluation period.

During the period evaluated, the bank originated 423 small business loans, aggregating \$80 million, in the Hagerstown assessment area. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract.

The following table shows a comparison of Susquehanna's lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

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| <b>SUSQUEHANNA BANK<br/>HAGERSTOWN ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS</b> |  |  |                                      |                                    |                                      |
|--|--|--|--------------------------------------|------------------------------------|--------------------------------------|
| <b>Census<br/>Tract Type</b>   | <b>%<br/>Businesses by<br/>Tract Type<br/>(2011)</b> | <b>%<br/>Businesses by<br/>Tract Type<br/>(2012)</b> | <b>Aggregate Comparison</b>          |                                    |                                      |
|  |  |  | <b>2011</b>                          |                                    | <b>2012*</b>                         |
|  |  |  | <b>%<br/>Susquehanna<br/>Lending</b> | <b>%<br/>Aggregate<br/>Lending</b> | <b>%<br/>Susquehanna<br/>Lending</b> |
| Low  | 3  | 4  | 6                                    | 3                                  | 7                                    |
| Moderate   | 17   | 19   | 15                                   | 17                                 | 21                                   |
| Middle   | 61   | 51   | 46                                   | 57                                 | 44                                   |
| Upper  | 19   | 26   | 33                                   | 19                                 | 28                                   |
| Unknown  | 0  | 0  | 0                                    | 4                                  | 0                                    |
| <b>Total</b>   | <b>100%</b>  | <b>100%</b>  | <b>100%</b>                          | <b>100%</b>                        | <b>100%</b>                          |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

Susquehanna's small business lending in the assessment area's low-income census tracts is excellent. In 2011, Susquehanna originated 6% of its small business loans in the assessment area's one low-income census tract, exceeding the applicable loan demand proxy of 3% of businesses in the low-income tract and the aggregate lending level of 3%.

In 2012, Susquehanna originated 7% of its small business loans in assessment area's two low-income tracts, exceeding the proxy of 4% of businesses, as well as its 2011 lending level in low-income census tracts. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for comparison.

### **Lending in Moderate-Income Census Tracts**

Susquehanna's 2011 lending level in the assessment area's moderate-income census tracts was 16%, which was just below the applicable proxy (17%) and the 2011 aggregate lending level (17%) in such tracts. The bank's 2012 lending level increased to 21%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

Overall, Susquehanna's level of small business lending in the Hagerstown assessment area's low- and moderate-income census tracts is excellent given the demographics of the assessment area, particularly the bank's strong performance in the assessment areas' low-income tracts in spite of modest small business lending opportunities.

Participation in community development initiatives and services that address the specific credit needs of low- and moderate-income areas enhanced Susquehanna's lending profile in this assessment area. For a discussion of these efforts, see the following section on Community Development Lending and the Service Test section starting on page 45 of this evaluation.

**Distribution of Loans by Borrower Income Level and Revenue Size of the Business**

Given the Hagerstown assessment area’s demographics and economic characteristics, the distribution of Susquehanna’s borrowers reflects good penetration among individuals of different income levels and businesses of different sizes.

**Lending to Borrowers of Different Income Levels**

Susquehanna’s distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, is considered good in context of assessment area demographics and economic characteristics.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, according to the 2000 Census, 18% of assessment area families were low-income and 19% were moderate-income. The 2010 Census data show that 19% of assessment area families were low-income and 19% were moderate-income.

Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. Over the evaluation period, the bank reported 349 HMDA loans in the assessment area, in an aggregate amount of \$59.4 million, an increase of 10% in the number of loans compared to the bank’s previous CRA evaluation.

The following table compares Susquehanna’s lending to available aggregate lending levels over the period reviewed, using median family income as a proxy for loan demand.

| <b>SUSQUEHANNA BANK<br/>HAGERSTOWN ASSESSMENT AREA<br/>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL</b> |   |   |                              |                            |                              |
|--|---|---|------------------------------|----------------------------|------------------------------|
| <b>Income Level</b>  | <b>% Families by Income Level (2000 Census)</b> | <b>% Families by Income Level (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 18  | 19  | 11                           | 9                          | 9                            |
| Moderate   | 19  | 19  | 24                           | 20                         | 18                           |
| Middle   | 24  | 22  | 17                           | 22                         | 26                           |
| Upper  | 39  | 40  | 36                           | 30                         | 32                           |
| Unknown  | 0   | 0   | 12                           | 19                         | 15                           |
| <b>Total</b>   | <b>100%</b>                                     | <b>100%</b>                                     | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

## **Lending to Low-Income Borrowers**

### **2000 Census Data**

In 2011, 11% of the HMDA loans originated by Susquehanna in the Hagerstown assessment area were extended to low-income borrowers. Although the bank's lending level is below the applicable proxy of 18% of assessment area families categorized as low-income, it is above the 2011 aggregate lending level of 9% of loans to low-income borrowers.

In 2011, Susquehanna originated 13% of its home-purchase loans and 9% of its refinance loans to low-income borrowers, exceeding aggregate lending levels of 12% for home-purchase loans and 6% for refinance loans. In 2011, the bank made no home-improvement loans to low-income borrowers, while the aggregate level of such loans was 12%.

### **2010 Census Data**

In 2012, 9% of the bank's HMDA loans were to low-income borrowers, which was below the applicable proxy 19% of low-income families and below the bank's 2011 lending level of 11%. In this regard, Susquehanna's total number of HMDA loans originated in the assessment area during 2012 increased by 31% compared to its 2011 lending. Bank lending to low-income borrowers increased by only 12%. Aggregate 2012 HMDA data were not available for comparison at the time of the evaluation.

In 2012, Susquehanna originated 13% of its home-purchase loans, 6% of its refinance loans, but had no home-improvement loans to low-income borrowers. Aggregate 2012 HMDA loan data were not available at the time of the evaluation for comparison.

In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration that home-mortgage credit needs of low-income individuals and families can be a challenge to address through conventional loan products, presenting an obstacle to homeownership. As noted previously, 29% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. Given this challenge, Susquehanna was fairly effective in making home-mortgage loans to the assessment area's low-income borrowers.

## **Lending to Moderate-Income Borrowers**

Similar to the challenges in extending credit to low-income individuals and families, challenges and obstacles to homeownership, within the assessment area, also exist for moderate-income families and individuals. Given such challenges and obstacles, Susquehanna's overall level of HMDA loans to moderate-income borrowers is considered good.

## **2000 Census**

For 2011, Susquehanna's lending to moderate-income borrowers in the assessment area (24%) was excellent in that it was more than the proxy of 19% of families, and exceeded the 2011 aggregate lending level of 20%. In 2011, Susquehanna originated 31% of its home-purchase loans, 13% of its refinance loans, and 27% of its home-improvement loans to moderate-income borrowers. These figures were more than the aggregate lending level of 27% for home-purchase loans, but less than the aggregate lending level of 14% for refinance loans. The figure for home-improvement loans was significantly above the aggregate lending level of 20% for such loans.

## **2010 Census**

For 2012, the bank's relative lending level to moderate-income borrowers of 18% was only slightly below the proxy of 19% of moderate-income families. In 2012, Susquehanna originated 23% of its home-purchase loans, 12% of its refinance loans, and 9% of its home-improvement loans to moderate-income borrowers. Susquehanna's lending to moderate-income borrowers appears to address the need for home-improvement loans for the older housing stock in Washington County, MD, and the city of Hagerstown.

Using innovative and flexible lending programs which address the credit needs of low- and moderate-income individuals, families, and households, Susquehanna enhanced its lending profile among low- and moderate-income borrowers in the assessment area. Using its proprietary residential mortgage product developed for low- and moderate-income borrowers, Susquehanna originated 35 home-mortgage loans, aggregating \$5.2 million, in the Hagerstown assessment area. The product allows for flexible underwriting standards and below-market interest rates, with no private mortgage insurance requirement.

In conjunction with the Farmers Home Administration Rural Housing Loan Program, which offers loans to low- and moderate-income individuals or households to purchase homes in rural areas, the bank originated 35 loans in the assessment area, aggregating \$5.4 million.

Given the Hagerstown assessment area's demographic and economic characteristics, Susquehanna did an excellent job at lending to both low- and moderate-income borrowers, despite the obstacles, mainly through the use of flexible lending programs.

## **Lending to Businesses of Different Sizes**

Susquehanna's distribution of loans to businesses in the Hagerstown assessment area reflects adequate penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

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The number of businesses operating in the bank's Hagerstown assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available 2011 business data, 13,770 businesses operated in the assessment area, with 92% designated as small businesses or reporting annual revenues of less than \$1 million. In 2012, the number of businesses in the assessment area decreased to 12,895, with 92% designated as small businesses.

For 2011, Susquehanna originated 213 small business loans aggregating \$38.7 million. Of these loans, 35% were originated to small businesses. The bank's 2011 lending to small businesses is less than the aggregate lending level to small businesses by all lenders in the assessment area (45%). Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of the smallest businesses. In 2011, 56% of the bank's small business loans were extended in an amount of \$100 thousand or less.

For 2012, the bank originated 210 small business loans in an aggregate amount of \$41.2 million. Of these loans, 37% were extended to small businesses and 54% of the loans were extended in an amount of \$100 thousand or less. Aggregate data for 2011 show that 91% of all small business loans made in the assessment area during that year were originated in amounts of \$100 thousand or less.

In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the Hagerstown assessment area, American Express Bank, FSB and US Bank NA were the two largest small business loan reporters and accounted for 29% of all small business loans.

### **Community Development Lending**

Susquehanna made an excellent level of community development loans in the Hagerstown assessment area. During the time period evaluated, the bank originated five community development loans totaling \$1.2 million. Two loans totaling \$1 million supported affordable housing, and three loans totaling \$205 thousand supported community development service providers in the assessment area.

The bank also issued two commercial letters of credit to a local nonprofit community development group. These letters of credit qualify as community development because the letters provide the necessary credit support for community development initiatives inside the assessment area. The letters, aggregating \$610 thousand, support the provision of community development services to low- and moderate-income residents of Washington County, MD.

### **Responsiveness to Credit Needs**

Susquehanna exhibits a good record of serving the credit needs of the most economically disadvantaged areas of the Hagerstown assessment area, including low-income borrowers and very small businesses, consistent with safe and sound banking practices. The bank achieved this record primarily through its community development lending and the use of innovative and flexible lending practices in order to help meet assessment area credit needs.

### **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals. The test also considers the innovativeness and complexity of these investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is high satisfactory in the Hagerstown assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants in the Hagerstown assessment area. Investments aggregating \$2.1 million exclusively support affordable housing initiatives. Of Susquehanna's total current investments, 4% are attributed to this assessment area.

Most of the bank's investments are targeted mortgage-backed securities containing residential mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. In addition to these investments, the bank made grants and contributions to various organizations that routinely provide affordable housing to low- and moderate-income individuals and areas. During the period evaluated, the bank made \$19 thousand in qualified grants and donations that benefit the Hagerstown assessment area.

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. The bank's investments support affordable housing in an area with higher housing costs relative to the area's per capita income. Recent labor market troubles have made economic recovery slow, thus limiting homeownership opportunities for low- and moderate-income families in the Hagerstown assessment area.

### **SERVICE TEST**

The bank's performance under the service test is assessed as outstanding in the Hagerstown assessment area.



**Accessibility of Delivery Systems**

The bank’s delivery systems are readily accessible to all portions of the bank’s Hagerstown assessment area. In 2011, Susquehanna operated 15 branches in the assessment area with five of those branches, or 34%, located in low- or moderate-income census tracts. By comparison, 18% of the assessment area population resides in the low- and moderate-income tracts. In 2012, Susquehanna operated 16 branches in the assessment area, with five of those branches, or 31%, located in low- or moderate-income census tracts. By comparison, 19% of the assessment area population resides in the low- and moderate- income tracts.

The following table details the locations of the bank’s branches and the population served.

| <b>SUSQUEHANNA BANK<br/>RETAIL BRANCH DISTRIBUTION<br/>HAGERSTOWN ASSESSMENT AREA</b> |                           |                         |                   |                           |
|---|---------------------------|-------------------------|-------------------|---------------------------|
| <b>2011 (Demographics based on 2000 Census)</b>                                       |                           |                         |                   |                           |
| <b>Census Tract Type</b>  | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income  | 1                         | 7                       | 2,307             | 1                         |
| Moderate-income   | 4                         | 27                      | 34,442            | 17                        |
| Middle-income   | 7                         | 47                      | 127,990           | 62                        |
| Upper-income  | 3                         | 20                      | 36,151            | 17                        |
| Unknown income  | NA                        | N/A                     | 6,938             | 3                         |
| <b>Totals</b>   | <b>15</b>                 | <b>100%</b>             | <b>207,828</b>    | <b>100%</b>               |
| <b>2012 (Demographics based on 2010 Census)</b>                                       |                           |                         |                   |                           |
| <b>Census Tract Type</b>  | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income  | 1                         | 6                       | 5,347             | 2                         |
| Moderate-income   | 4                         | 25                      | 43,570            | 17                        |
| Middle-income   | 8                         | 50                      | 135,345           | 54                        |
| Upper-income  | 3                         | 19                      | 61,173            | 24                        |
| Unknown income  | NA                        | N/A                     | 6,164             | 2                         |
| <b>Totals</b>   | <b>16</b>                 | <b>100%</b>             | <b>251,599</b>    | <b>100%</b>               |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers three dollars per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

**Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems. During the CRA evaluation period, Susquehanna acquired three branches in the Hagerstown assessment area as a result of its acquisition of Graystone Tower Bank. Two of the branches were located in moderate-income census tracts and one branch was located in a middle-income tract. The middle-income tract branch was closed due to its proximity (2 miles) to the Susquehanna's existing Paramount Branch. The moderate-income tract in which the Frederick Street Branch was located became a middle-income tract in 2012 due to changes in Census data. Nonetheless, the branch remains accessible to moderate-income customers and small business owners in the community.

| Action    | Census Tract    | Street                  | City       | State |
|-----------|-----------------|-------------------------|------------|-------|
| Purchased | Moderate-Income | 131 West Main St        | Hancock    | MD    |
| Purchased | Moderate-Income | 1101 Professional Court | Hagerstown | MD    |
| Closed    | Middle-Income   | 18233 Maugans Ave       | Hagerstown | MD    |

**Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

**Community Development Services**

Susquehanna provides a relatively high level of community development services in the assessment area. During the evaluation period, the bank had five employees sitting on boards or serving in other leadership capacities of four area community development organizations. Some notable organizations include:

- Housing Authority of Berkeley County, WV, which provides housing services to low- and moderate-income families and individuals, including the elderly, in Berkeley County.
- Goodwill Industries, a nonprofit group which provides rehabilitation services, education, training, and employment opportunities primarily for low- and moderate-income persons.
- Hagerstown Neighborhood Housing Partnership, which provides counseling to prospective homebuyers on financial literacy and homeownership education.

## COMMONWEALTH OF PENNSYLVANIA

### PENNSYLVANIA CRA RATING

| <b>Performance Test</b> | <b>Performance Level</b> |
|-------------------------|--------------------------|
| Lending                 | High Satisfactory        |
| Investments             | High Satisfactory        |
| Services                | High Satisfactory        |
| <b>Overall</b>          | <b>Satisfactory</b>      |

### **SUMMARY OF MAJOR FACTORS SUPPORTING RATING**

Major factors contributing to the rating include the following:

- The geographic distribution of loans reflects good penetration across the Pennsylvania assessment areas.
- The distribution of borrowers, given the product lines offered by the bank, reflects good penetration among retail customers of different income levels and business customers of different sizes.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- Susquehanna is a leader in making community development loans in Pennsylvania.
- The bank has a relatively high level of qualified community development investments and grants.
- The bank provides a relatively high level of community development services across Pennsylvania.

### **SCOPE OF EXAMINATION**

Susquehanna's CRA performance in Pennsylvania was evaluated for the period from March 15, 2011 through May 6, 2013. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA, pursuant to the Interagency Procedures and Guidelines for Large Retail Institutions. Under the lending test, loan products evaluated included home-purchase and home-improvement loans and refinancing of such loans (collectively titled HMDA loans), small business and small farm loans, and other loans that qualified as community development. For purposes of evaluating the geographic distribution of loans, loans originated in 2011 were classified on the basis of 2000 U.S. Census data. Loans originated in 2012 were classified on the basis of 2010 U.S. Census data.

The rating for Pennsylvania is composed of the evaluation of Susquehanna's CRA performance in the following eleven assessment areas:

1. Lancaster assessment area
2. York assessment area

3. North Central Pennsylvania assessment area (Northumberland, Schuylkill, Snyder and Union Counties)
4. Harrisburg assessment area (Dauphin and Cumberland Counties)
5. Williamsport assessment area
6. South Central Pennsylvania assessment area (Bedford, Franklin, and Fulton Counties)
7. Scranton assessment area (Luzerne County)
8. Reading assessment area
9. Allentown assessment area (Lehigh and Northampton Counties)
10. State College assessment area
11. Lebanon assessment area (Lebanon County)

A substantial majority of Susquehanna's lending and operations in Pennsylvania are in the following five assessment areas: Lancaster, York, Harrisburg, Reading, and South Central Pennsylvania. Accordingly, a full review of the bank's performance in these five assessment areas was performed. Limited reviews of the bank's CRA performance were conducted for six assessment areas: North Central Pennsylvania, Williamsport, Scranton, Allentown, State College, and Lebanon.

## **FULL REVIEW ASSESSMENT AREA CONCLUSIONS**

### **LANCASTER ASSESSMENT AREA**

Susquehanna's assessment area includes the entire Lancaster MSA, which is comprised of Lancaster County, PA. According to the 2000 Census, this assessment area consisted of 94 census tracts, of which five were designated as low-income and 11 were moderate-income. All five low-income tracts and eight of the moderate-income tracts were located in the city of Lancaster. The three remaining moderate-income census tracts were located in Columbia Borough (2) and Paradise (1). Twelve percent of the assessment area's population resided within these low- and moderate-income census tracts.

In the 2010 Census, the Lancaster MSA consisted of 98 Census tracts, six of which were designated as low-income and 12 as moderate-income. All six low-income tracts and eight moderate-income tracts were located in the city of Lancaster. The remaining moderate-income tracts were located in Columbia (3) and Marietta (1). Thirteen percent of the assessment area's population resided within these low- and moderate-income census tracts.

Susquehanna's performance in the Lancaster assessment area was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits as of June 30, 2012, 18 depository institutions operated in Lancaster County. These institutions maintained a total of 191 branches, holding \$9.9 billion in deposits. During the evaluation period, Susquehanna ranked first, operating 38 branches with \$2.5 billion in deposits, or 25% of the market's total deposits. Fulton Bank, headquartered in Lancaster, ranked second with 25% of market deposits. Lancaster County accounted for 20% of Susquehanna's total bank deposits.

HMDA loans were compared to the aggregate of all lenders in the assessment area reporting real estate loans pursuant to HMDA. These data are reported annually and the most recent year for which information is available is 2011, when a total of 334 institutions reported HMDA loans in Lancaster County. Susquehanna ranked sixth with 3% of all such loan originations and purchases. Fulton Bank was the highest ranked local institution at second with 7% of the market. Lenders originating loans nationally complete the remaining top ten, including Wells Fargo Bank, NA; JPMorgan Chase Bank and Trust Company, NA; and Bank of America, NA.

Susquehanna's small business lending was also compared to the aggregate of all lenders in the assessment area. A total of 59 lenders reported small business loans in Lancaster County in 2011. Susquehanna ranked sixth among small business reporters with 6% of the market. Since business credit cards are included in CRA small business loan reporting, national lenders such as American Express Bank, FSB and US Bank NA are a strong presence in the market and local lenders are increasingly losing market share.

### **ECONOMIC CHARACTERISTICS**

Lancaster County in Pennsylvania is situated near three metropolitan areas: Harrisburg and Philadelphia in Pennsylvania and Wilmington, Delaware. Economic mainstays in the area include education and health services, agriculture, retail trade, light industry, and tourism. Manufacturing and construction have slowed Lancaster's recovery. Goods producers cut the vast majority of jobs during the recession, and these high-paying jobs have been slow to return. While the manufacturing sector is still a large employer, it has been overtaken by education and health services, which now account for 18% of jobs in the MSA.

Lancaster's population continued to grow, increasing by 1% between 2010 and 2012. The MSA's relatively affordable cost of living draws migrants from higher-cost neighboring areas like Harrisburg, Philadelphia, and Wilmington. In addition, the Lancaster area has advantageous business costs, and the noncyclical food industry provides stability. Weaknesses in the economy include a below-average educational attainment, reliance on traditional manufacturing, and weak per capita income relative to the nation.

Lancaster's housing market, which had been a strong force in the area's recovery, began to decline in 2012 due to a rise in foreclosures. Moody's estimates that the average existing home price in the Lancaster MSA was \$158,200 in 2012, marking a slight decrease since 2011.

Major private sector employers in the area include Lancaster General Hospital, Mutual Assistance Group, Ephrata Community Hospital Inc., and R. R. Donnelley & Sons Co. The County of Lancaster and the School District of Lancaster are large public employers in the area, as are Franklin and Marshall College and Millersville University which are located within the Lancaster MSA. Local bank competitors include Fulton Bank, NA; Ephrata National Bank; and National Penn Bank.

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The unemployment rate in the Lancaster MSA decreased during the evaluation period and remained below the unemployment rate in Pennsylvania. The unemployment rate for the city of Lancaster, although decreasing, remains high, as reflected in the following table:

| <b>Locations</b> | <b>December<br/>2012</b> | <b>December<br/>2011</b> |
|------------------|--------------------------|--------------------------|
| Lancaster MSA    | 6.6                      | 6.3                      |
| Lancaster City   | 9.7                      | 9.9                      |
| Pennsylvania     | 7.9                      | 7.7                      |

Information and insight into the perceived credit needs and opportunities in the Lancaster MSA was obtained from interviews and contacts with bankers, community organizations and local government officials. Local community groups expressed the need to replace their traditional funding sources, particularly government program grants. Other frequently mentioned credit needs were loans for low- and moderate-income homebuyers and financing for small- and medium-sized businesses.

## **HOUSING**

### **2000 Census Data**

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending. According to the 2000 Census, in the Lancaster MSA only 1% of owner-occupied units were located in low-income census tracts and 6% were in moderate-income tracts. The majority of owner-occupied units (82%) were located in middle-income tracts and 11% were in upper-income tracts. The MSA contained 179,990 housing units, of which 68% were owner-occupied and 28% were rental units. In low-income census tracts, 26% of housing units were owner-occupied, and in moderate-income tracts 46% were owner-occupied. The overall owner-occupancy rate for Pennsylvania was 65%.

Demographics revealed that single-family houses comprised 75% of all housing units in the Lancaster MSA, while multifamily units comprised 11%, two-to-four family units 9%, and mobile homes 5%. The median age of the housing stock was 34 years, lower than the state at 43 years. However, the median age of housing stock in the city of Lancaster was much older at 48 years. Median rent in the assessment area was \$572, with 31% of renters paying more than 30% of their income for housing. Rent was slightly lower in the city of Lancaster at \$536, with 37% of renters paying more than 30% of income for housing.

Census data also indicate that the median housing value in the Lancaster MSA in 2000 was \$118,290. A large disparity existed between median housing values in the upper-income (\$150,609) and middle-income (\$118,693) census tracts and the values in the moderate-income (\$70,482) and low-income (\$57,960) tracts.

## **2010 Census Data**

According to the 2010 Census, in the Lancaster MSA 2% of owner-occupied units were located in low-income census tracts and 7% were in moderate-income tracts. The majority of owner-occupied units (78%) were located in middle-income tracts and 14% were in upper-income tracts. The MSA contained 199,965 housing units, of which 67% were owner-occupied and 29% were rental units. In low-income census tracts, 26% of housing units were owner-occupied, and in moderate-income tracts 50% were owner-occupied. The overall owner-occupancy rate for Pennsylvania was 63%.

Single-family houses comprise 76% of all housing units in the Lancaster MSA, while multifamily units comprise 11%, two-to-four family units 9%, and mobile homes 4%. The median age of housing stock in the city of Lancaster is 39 years, lower than the state at 52 years. Median rent in the assessment area is \$778, with 44% of renters paying more than 30% of their income for housing. Rent is slightly lower in the city of Lancaster at \$732, with 53% of renters paying more than 30% of income for housing.

In 2010, Census data indicates that the median housing value in the Lancaster MSA was \$184,400. A large disparity continues to exist between median housing values in the upper-income (\$230,277) and middle-income (\$186,416) census tracts and the values in the moderate-income (\$97,425) and low-income (\$83,631) tracts.

## **BORROWER INCOME DATA**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available by HUD. According to 2000 Census data, the median family income for the Lancaster MSA was \$52,442, compared to \$49,184 for the state. In 2010, the adjusted median family income for the Lancaster MSA, as reported by HUD, increased to \$66,700.

According to 2000 Census data, 16% of families in the assessment area were designated as low-income and 20% were moderate-income. Families living below the poverty level represented 5% of total families in the Lancaster MSA, compared to 8% in Pennsylvania as a whole. As of the 2010 Census, 11% of families in the assessment area were designated as low-income and 15% were moderate-income. Families living below the poverty level represented 7% of total families in the assessment area, compared to 9% in the state.

## **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses and farms located within designated census tracts was used as a proxy to estimate demand for small business and small farm credit within such tracts. According to Dun and Bradstreet, in 2011 the Lancaster MSA had 28,160 businesses, of which 3% were located in low-income census tracts and 7% in moderate-income tracts. The large majority of businesses (78%) was located in middle-income tracts and 12% were in upper-income tracts.



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In addition, 1,384 farms operated in the Lancaster MSA, of which 1% were located in low-income census tracts and 2% in moderate-income tracts. The large majority of farms (95%) was in middle-income census tracts, with just 2% in upper-income tracts.

In 2012, the MSA had 28,436 businesses, of which 5% were located in low-income census tracts and 6% in moderate-income tracts. The large majority of businesses (76%) were in middle-income census tracts and 13% were in upper-income tracts. In addition, 1,479 farms operated in the Lancaster MSA, of which just 1% was located in low- and moderate-income census tracts (just four farms). The large majority of farms (92%) were located in middle-income census tracts, with just 7% in upper-income tracts.

Assessment area demographics used in evaluating Susquehanna's performance under CRA in 2011 and 2012 are detailed in the following tables.

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>LANCASTER ASSESSMENT AREA<br>2011 |  |                                    |                          |              |  |              |                           |              |
|---|--|------------------------------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories   | Tract Distribution                     |                                    | Families by Tract Income |              | Families < Poverty Level as % of Families by Tract |              | Families by Family Income |              |
|   | #                                      | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income  | 5                                      | 5.3                                | 3,114                    | 2.5          | 1,004  | 32.2         | 19,635                    | 15.7         |
| Moderate-income   | 11                                     | 11.7                               | 9,172                    | 7.3          | 1,367  | 14.9         | 24,538                    | 19.7         |
| Middle-income   | 71                                     | 75.5                               | 100,232                  | 80.3         | 3,987  | 4.0          | 33,143                    | 26.5         |
| Upper-income  | 7                                      | 7.4                                | 12,347                   | 9.9          | 211  | 1.7          | 47,549                    | 38.1         |
| Unknown income  | 0                                      | 0.0                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>94</b>                              | <b>100.0</b>                       | <b>124,865</b>           | <b>100.0</b> | <b>6,569</b>                                       | <b>5.3</b>   | <b>124,865</b>            | <b>100.0</b> |
|   | Housing Units by Tract                 | Housing Types by Tract             |                          |              |  |              |                           |              |
|   |  | Owner-occupied                     |                          |              | Rental   |              | Vacant                    |              |
|   | #                                      | #                                  | %                        | %            | #  | %            | #                         | %            |
| Low-income  | 5,519                                  | 1,436                              | 1.2                      | 26.0         | 3,526  | 63.9         | 557                       | 10.1         |
| Moderate-income   | 17,065                                 | 7,810                              | 6.4                      | 45.8         | 7,665  | 44.9         | 1,590                     | 9.3          |
| Middle-income   | 140,405                                | 100,143                            | 81.9                     | 71.3         | 35,423   | 25.2         | 4,839                     | 3.4          |
| Upper-income  | 17,001                                 | 12,875                             | 10.5                     | 75.7         | 3,682  | 21.7         | 444                       | 2.6          |
| Unknown income  | 0                                      | 0                                  | 0.0                      | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>179,990</b>                         | <b>122,264</b>                     | <b>100.0</b>             | <b>67.9</b>  | <b>50,296</b>                                      | <b>27.9</b>  | <b>7,430</b>              | <b>4.1</b>   |
|   | Total Businesses by Tract              | Businesses by Tract & Revenue Size |                          |              |  |              |                           |              |
|   |  | Less Than or = \$1 Million         |                          |              | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|   | #                                      | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income  | 860                                    | 3.1                                | 739                      | 2.9          | 75   | 3.8          | 46                        | 5.9          |
| Moderate-income   | 2,022                                  | 7.2                                | 1,755                    | 6.9          | 190  | 9.6          | 77                        | 9.8          |
| Middle-income   | 21,912                                 | 77.8                               | 19,885                   | 78.3         | 1,435  | 72.4         | 592                       | 75.3         |
| Upper-income  | 3,366                                  | 12.0                               | 3,013                    | 11.9         | 282  | 14.2         | 71                        | 9.0          |
| Unknown income  | 0                                      | 0.0                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>28,160</b>                          | <b>100.0</b>                       | <b>25,392</b>            | <b>100.0</b> | <b>1,982</b>                                       | <b>100.0</b> | <b>786</b>                | <b>100.0</b> |
|   | <b>Percentage of Total Businesses:</b> |                                    |                          | <b>90.2</b>  | <b>7.0</b>   | <b>2.8</b>   |                           |              |

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>LANCASTER ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 6                               | 6.1                                | 4,687                    | 3.5              | 1,756  | 37.5                 | 23,580                    | 17.4         |
| Moderate-income   | 12                              | 12.2                               | 9,397                    | 6.9              | 1,671  | 17.8                 | 25,872                    | 19.1         |
| Middle-income   | 69                              | 70.4                               | 104,708                  | 77.2             | 5,186  | 5.0                  | 33,623                    | 24.8         |
| Upper-income  | 11                              | 11.2                               | 16,924                   | 12.5             | 442  | 2.6                  | 52,641                    | 38.8         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>98</b>                       | <b>100.0</b>                       | <b>135,716</b>           | <b>100.0</b>     | <b>9,055</b>                                       | <b>6.7</b>           | <b>135,716</b>            | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 9,537                           | 2,490                              | 1.9                      | 26.1             | 6,042  | 63.4                 | 1,005                     | 10.5         |
| Moderate-income   | 17,542                          | 8,718                              | 6.5                      | 49.7             | 7,702  | 43.9                 | 1,122                     | 6.4          |
| Middle-income   | 149,067                         | 104,734                            | 78.0                     | 70.3             | 38,850   | 26.1                 | 5,483                     | 3.7          |
| Upper-income  | 23,819                          | 18,406                             | 13.7                     | 77.3             | 4,532  | 19.0                 | 881                       | 3.7          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>199,965</b>                  | <b>134,348</b>                     | <b>100.0</b>             | <b>67.2</b>      | <b>57,126</b>                                      | <b>28.6</b>          | <b>8,491</b>              | <b>4.2</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 1,453                           | 5.1                                | 1,227                    | 4.8              | 142  | 7.4                  | 84                        | 9.2          |
| Moderate-income   | 1,628                           | 5.7                                | 1,457                    | 5.7              | 108  | 5.6                  | 63                        | 6.9          |
| Middle-income   | 21,723                          | 76.4                               | 19,652                   | 76.8             | 1,391  | 72.5                 | 680                       | 74.3         |
| Upper-income  | 3,632                           | 12.8                               | 3,267                    | 12.8             | 277  | 14.4                 | 88                        | 9.6          |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>28,436</b>                   | <b>100.0</b>                       | <b>25,603</b>            | <b>100.0</b>     | <b>1,918</b>                                       | <b>100.0</b>         | <b>915</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.0</b>      |  |                      | <b>6.7</b>                | <b>3.2</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

The bank's performance under the lending test is assessed as high satisfactory in the Lancaster assessment area.

**Geographic Distribution of Lending**

An analysis of the geographic distribution of loans in the Lancaster assessment area reflects excellent penetration throughout the assessment area, including low- and moderate-income census tracts.

**Home-Mortgage Lending**

Susquehanna's geographic distribution of home-mortgage loans reflects excellent dispersion throughout the Lancaster assessment area, taking into consideration the assessment area's demographic and economic characteristics.

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Susquehanna originated 1,386 home-mortgage loans, aggregating \$225 million, in the Lancaster assessment area during the evaluation period. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2000 Census data, 82% of the assessment area’s owner-occupied housing stock was in middle-income census tracts and 11% was in upper-income tracts. There were a limited number of owner-occupied housing units in the low- and moderate-tracts in the assessment area, with only 1% of housing units located in low-income tracts and 6% in moderate-income tracts.

In the 2010 Census, 76% of the Lancaster assessment area’s owner-occupied housing was located in middle-income census tracts and 12% in upper-income tracts. There continued to be a limited number of owner-occupied units in the low- and moderate-income tracts, with 5% of housing units located in low-income tracts and 9% in moderate-income tracts.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and available aggregate lending levels in the Lancaster assessment area.

| <b>SUSQUEHANNA BANK<br/>LANCASTER ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL</b> |  |  |                       |                     |                       |
|---|--|--|-----------------------|---------------------|-----------------------|
| Income Level  | % Owner-occupied Housing Units (2000 Census) | % Owner-occupied Housing Units (2010 Census) | Aggregate Comparison  |                     |                       |
|   |  |  | 2011                  |                     | 2012*                 |
|   |  |  | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 1  | 2  | 3                     | 1                   | 2                     |
| Moderate  | 6  | 6  | 8                     | 5                   | 8                     |
| Middle  | 82   | 78   | 78                    | 81                  | 77                    |
| Upper   | 11   | 14   | 11                    | 13                  | 13                    |
| Unknown   | 0  | 0  | 0.0                   | 0.0                 | 0.0                   |
| <b>Total</b>  | <b>100%</b>                                  | <b>100%</b>                                  | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data was not yet available.

Based on aggregate lending levels and the limited availability of housing, lending opportunities in the assessment area’s low- and moderate-income census tracts during 2011 and 2012 appear limited. Despite such limited lending opportunities, Susquehanna’s lending in low- and moderate-income census tracts was considered excellent. Over the evaluation period, the bank did a better job than aggregate lenders at making home-mortgage loans in these census tracts.

**2000 Census Data**

**Lending in Low-Income Census Tracts**

In 2011, Susquehanna’s HMDA lending level in low-income census tracts of 3% exceeded both the applicable owner-occupied housing proxy of 1% and the aggregate 2011 lending level of 1% in low-income tracts.

In 2011, Susquehanna made 5% of its home-purchase loans, 3% of its home-improvement loans, and 1% of its refinance loans in low-income census tracts. The bank made no loans for multifamily housing in low-income tracts in 2011. Susquehanna's lending levels were better than 2011 aggregate lending levels of 1% for home-purchase loans and 1% for home-improvement loans. Aggregate lending for refinance loans in the low-income tracts was limited; just 1% of all refinance loans were made in these tracts in 2011. Aggregate 2011 loan data also shows that 14% of all loans to finance multifamily housing were made in low-income tracts.

### **2010 Census Data**

In 2012, the bank's HMDA lending level in low-income tracts decreased slightly to 2%, and was equal to the applicable housing proxy of 2%. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

In 2012, Susquehanna made 4% of its home-purchase loans, 3% of home-improvement loans, and 1% of its refinance loans in low-income tracts. Further, the bank made 14% of its loans to for multifamily housing in low-income tracts. Although 2012 aggregate HMDA data were not available for review at the time of the evaluation, it is noted that the bank's origination of home-mortgage loans was up 54%, compared to its 2011 lending. Bank lending in low-income tracts increased 25%.

### **Lending in Moderate-Income Census Tracts**

#### **2000 Census Data**

In 2011, Susquehanna's HMDA lending level of 8% in moderate-income census tracts exceeded both the applicable housing proxy of 6% and the aggregate lending level of 5%.

In 2011, Susquehanna made 10% of its home-purchase loans, 7% of its refinance loans, and 6% of its home-improvement loans in moderate-income tracts. The bank made no loans for multifamily housing in moderate-income tracts. By comparison, the bank's lending levels were above 2011 aggregate lending levels of 11% for home-purchase loans, 5% for refinance loans, and 4% for home-improvement loans in moderate-income tracts. The bank's level of loans to finance multifamily housing in 2011 was below the aggregate lending level of 17%.

#### **2010 Census Data**

In 2012, the bank's lending level in moderate-income tracts remained at 8%, and above the housing proxy of 7%. Aggregate 2012 data were not available for review and comparison at the time of the evaluation.

In 2012, Susquehanna made 11% of its home-purchase loans, 6% of home-improvement loans, and 1% of its refinance loans in moderate-income tracts. In addition, the bank made 14% of its multifamily housing loans in moderate-income tracts.

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Overall, Susquehanna’s HMDA lending in low- and moderate-income census tracts was excellent in the context of the assessment area’s demographics and competitive banking environment. Susquehanna competes with a significant number of banking organizations and mortgage companies in the Lancaster assessment area. In 2011, 334 mortgage lenders reported HMDA loans in the assessment area.

**Small Business Lending**

The geographic distribution of Susquehanna’s small business loans reflects good dispersion throughout the Lancaster assessment area, in context of the assessment area’s economic characteristics during the evaluation period.

During the period evaluated, Susquehanna originated 685 small business loans in the assessment area, in an aggregate amount of \$75 million. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract. Business demographics revealed a total of 28,160 businesses located within the assessment area in 2011. Of these businesses, 3% were located in low-income census tracts and 7% were in moderate-income tracts. In 2012, there were 28,436 businesses in the Lancaster assessment area. Of these businesses, 5% were located in low-income tracts and 6% were in moderate-income areas.

The following table shows a comparison of Susquehanna’s lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

| <b>SUSQUEHANNA BANK<br/>LANCASTER ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS</b> |  |  |                                      |                                    |                                      |
|---|--|--|--------------------------------------|------------------------------------|--------------------------------------|
| <b>Census<br/>Tract Type</b>  | <b>%<br/>Businesses by<br/>Tract Type<br/>(2011)</b> | <b>%<br/>Businesses by<br/>Tract Type<br/>(2012)</b> | <b>Aggregate Comparison</b>          |                                    |                                      |
|   |  |  | <b>2011</b>                          |                                    | <b>2012*</b>                         |
|   |  |  | <b>%<br/>Susquehanna<br/>Lending</b> | <b>%<br/>Aggregate<br/>Lending</b> | <b>%<br/>Susquehanna<br/>Lending</b> |
| Low   | 3  | 5  | 1                                    | 3                                  | 1                                    |
| Moderate  | 7  | 6  | 5                                    | 7                                  | 4                                    |
| Middle  | 78   | 76   | 82                                   | 76                                 | 77                                   |
| Upper   | 12   | 13   | 12                                   | 12                                 | 18                                   |
| Unknown   | 0  | 0  | 0                                    | 2                                  | 0                                    |
| <b>Total</b>  | <b>100%</b>  | <b>100%</b>  | <b>100%</b>                          | <b>100%</b>                        | <b>100%</b>                          |

\*2012 aggregate loan data is not yet available.

**Lending in Low-Income Census Tracts**

In 2011, Susquehanna originated 1% of its small business loans in the assessment area’s low-income census tracts, which was below the applicable loan demand proxy of 3% of businesses and below the aggregate lending level of 3%.

In 2012, Susquehanna’s small business lending in low-income tracts remained at 1% of its loans, remaining below the applicable business proxy of 5%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

### **Lending in Moderate-Income Census Tracts**

In 2011, Susquehanna made 5% of its small business loans in the assessment area's moderate-income census tracts, which was below the applicable business proxy of 7% and the 2011 aggregate lending level of 7%.

The bank's 2012 lending level in moderate income tracts fell slightly to 4%, and, again, was less than the applicable business proxy of 6%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review and comparison.

There were limited lending opportunities for any banks operating in the assessment area's low- and moderate-income census tracts, due to the small number of businesses located in these tracts. Over the evaluation period, neither Susquehanna, nor aggregate lenders made a substantial number of small business loans in low- or moderate-income census tracts. In addition, as previously noted, all of the low-income tracts and eight of the moderate-income tracts were located in the city of Lancaster. Susquehanna operates just one branch in a moderate-income tract in the city, further limiting the bank's ability to originate loans.

### **Small Farm Lending**

For purposes of CRA, a small farm loan is a commercial loan with an origination amount of \$500 thousand or less and is either secured by farmland, or is classified as a loan to finance agricultural production and other loans to farmers. Susquehanna helped to meet the credit needs of the local community by providing small farm loans. Only 17 financial institutions originated small farm loans in the Lancaster assessment area in 2011. The 2012 aggregate data was not available for comparison.

The geographic distribution of the bank's small farm loans reflects good penetration throughout the Lancaster assessment area. During the evaluation period, Susquehanna originated 145 small farm loans aggregating \$18 million in the Lancaster assessment area. The geographic distribution of farms in the assessment area by census tract type is used as a proxy for small farm loan demand. Generally, the greater the number of farms located in a tract, the greater the demand for small farm loans is in the tract. Business demographics revealed a total of 1,384 farms located within the Lancaster assessment area in 2011 and 1,479 in 2012. Based on available business characteristics, less than 1% of the farms were located in low-income census tracts and 2.5% were located in moderate-income tracts in 2011. In 2012, less than 1% of farms were located in either low- or moderate-income tracts.

The table on the following page shows a comparison of Susquehanna's lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

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| SUSQUEHANNA BANK<br>LANCASTER ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF SMALL FARM LOANS |                              |                              |                       |                     |                       |
|--|------------------------------|------------------------------|-----------------------|---------------------|-----------------------|
| Census Tract Type  | % Farms by Tract Type (2011) | % Farms by Tract Type (2012) | Aggregate Comparison  |                     |                       |
|  |                              |                              | 2011                  |                     | 2012*                 |
|  |                              |                              | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low  | 0.1                          | 0.1                          | 0                     | 0                   | 0                     |
| Moderate   | 2.5                          | 0.2                          | 7                     | 7                   | 0                     |
| Middle   | 95.1                         | 92                           | 93                    | 92                  | 90                    |
| Upper  | 2.3                          | 7.7                          | 0                     | 1                   | 10                    |
| Unknown  | 0                            | 0                            | 0                     | 0                   | 0                     |
| <b>Total</b>   | <b>100%</b>                  | <b>100%</b>                  | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

Susquehanna originated no small farm loans in low-income census tracts in 2011 or 2012; however, less than 1% of assessment area farms (two farms in 2011 and one farm in 2012) were located in low-income tracts. Further, 2011 aggregate data show that no banks, including Susquehanna, made small farm loans in the assessment area's low-income census tracts.

Susquehanna's dispersion of small farm loans in the assessment area's moderate-income census tracts was good. In 2011, the bank originated 7% of its small farm loans in moderate-income census tracts. Aggregate 2011 CRA small farm loan data shows that 7% of all small farm loans were made in moderate-income tracts. Susquehanna made no loans in moderate-income census tracts in 2012; less than 1% of assessment area farms were located in such tracts.

**Distribution of Loans by Borrower Income Level and Revenue Size of Business**

Given the Lancaster assessment area's demographic and economic characteristics, the distribution of Susquehanna's borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income persons, and businesses of different sizes, including small businesses.

**Lending to Borrowers of Different Income Levels**

Susquehanna's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, reflects excellent penetration in the Lancaster assessment area.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, according to 2000 Census data, 16% of families in the assessment area are designated as low-income and 20% are moderate-income. Likewise, according to the 2010 Census, 11% of families in the assessment area were low-income and 15% were moderate-income.

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Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. More than one third of families in the Lancaster assessment area were designated as low- or moderate-income at the 2000 Census and 26% of families at the 2010 Census. This segment of the population has a need for both affordable multifamily rental housing and home-mortgage credit.

The following table compares Susquehanna’s lending to the available aggregate lending levels, using median family income as a proxy for loan demand.

| <b>SUSQUEHANNA BANK<br/>LANCASTER ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HOME MORTGAGE LOANS</b> |   |   |                              |                            |                              |
|--|---|---|------------------------------|----------------------------|------------------------------|
| <b>Census Tract Type</b>   | <b>% Families by Income Level (2000 Census)</b> | <b>% Families by Income Level (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 16  | 17  | 13                           | 8                          | 14                           |
| Moderate   | 20  | 19  | 28                           | 23                         | 28                           |
| Middle   | 26  | 25  | 21                           | 26                         | 21                           |
| Upper  | 38  | 39  | 31                           | 31                         | 29                           |
| Unknown  | 0   | 0   | 7                            | 12                         | 8                            |
| <b>Total</b>   | <b>100%</b>                                     | <b>100%</b>                                     | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

### **Lending to Low-Income Borrowers**

#### **2000 Census**

In 2011, 13% of Susquehanna’s home-mortgage loans, originated in the assessment area, were extended to low-income borrowers. The bank’s lending level was below the applicable proxy of 16% of low-income families, but well above the 2011 aggregate lending level of 8% of loans to low-income families.

In 2011, 18% of Susquehanna’s loans were home-purchase loans, 8% were refinance loans and 8% were home-improvement loans to low-income borrowers. The bank’s lending exceeded the 2011 aggregate lending levels to low-income borrowers of 11% for home-purchase loans and 6% for refinance loans, but the bank was slightly below the 9% aggregate for home-improvement loans.

#### **2010 Census**

In 2012, the bank’s lending to low-income borrowers in the assessment area increased to 14% of loans, remaining below the applicable proxy of 17% of families. However, the bank significantly increased the number of loans it originated to low-income borrowers (59%) in the Lancaster assessment area. Aggregate 2012 HMDA data were not available at the time of the evaluation for comparison or review.



In 2012, the bank originated 19% of its home-purchase loans, 8% of refinance loans, and 14% of home-improvement loans to low-income borrowers. Aggregate 2012 HMDA loan data was not available as of the time of the evaluation for comparison.

In assessing the level of the bank's lending to low-income borrowers, the evaluation takes into consideration that the home-mortgage credit needs of such individuals and families can be a challenge to address through conventional loan products, presenting a significant obstacle to homeownership. As noted previously, according to the 2000 Census, 31% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. This amount increased to 44% of renters when using 2010 Census data. Despite these challenges, Susquehanna did a good job at lending to low-income borrowers in the Lancaster assessment area. The bank was able to lend to these borrowers by participating in innovative and flexible lending programs, which are discussed at the end of this section.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, Susquehanna's level of HMDA loans to moderate-income borrowers, during 2011 and 2012, was excellent, and well above its level of lending to low-income borrowers during the same period.

#### **2000 Census**

In 2011, 28% of the bank's HMDA loans were to moderate-income borrowers, which was significantly above the applicable proxy of 20% of moderate-income families in the assessment area. In addition, the bank's lending to moderate-income borrowers was higher than the 2011 aggregate HMDA lending level of 23%.

In 2011, the bank originated 32% of its home-purchase loans, 25% of its refinance loans and 19% of its home-improvement loans to moderate-income borrowers. Susquehanna's lending level was above the 2011 aggregate lending levels of 24% for home-purchase loans and 15% for home-improvement loans, but below the 15% aggregate lending level for refinance loans.

#### **2010 Census**

In 2012, bank lending to moderate-income borrowers was again 28% of bank loans, which exceeded the applicable proxy of moderate-income families. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

In 2012, Susquehanna made 25% of its home-purchase loans, 17% of its refinance loans, and 20% of its home-improvement loans to moderate-income borrowers. Aggregate 2012 HMDA loan data was not available at the time of the evaluation for review or comparison.

Susquehanna enhanced its home-mortgage lending profile among these borrowers during the evaluation period using innovative or flexible lending programs which address the credit needs of low- and moderate-income individuals, families, and households. The bank developed a proprietary residential mortgage product targeted to low- and moderate-income borrowers. Susquehanna originated 833 such loans, aggregating \$93 million, throughout all of its assessment areas during the evaluation period. The product allows for flexible underwriting standards and below market interest rates with no private mortgage insurance requirements. Susquehanna originated 144 loans in the Lancaster assessment area, aggregating \$15.5 million.

In conjunction with the Farmers Home Administration Rural Housing loan program, which offers loans to low- and moderate-income individuals or households to purchase homes in rural areas, the bank originated 34 loans aggregating \$5.5 million, in the Lancaster assessment area. Altogether, Susquehanna originated 171 loans, aggregating \$40 million, under the program, throughout all of its assessment areas during the evaluation period.

Through the PHFA, Susquehanna originated 16 loans totaling \$2.3 million, in the Lancaster assessment area. Altogether, Susquehanna originated 102 PFHA loans aggregating \$12 million to finance properties throughout all of its assessment areas during the evaluation period. With respect to PFHA loans, borrowers must be first-time homebuyers, or homebuyers in targeted areas, with incomes less than 100% of the area median and purchasing a home priced below an amount set by PHFA. Income guidelines set by the PHFA ensure that loans are originated to primarily low- and moderate-income borrowers.

The bank also made numerous community development loans to support affordable housing in the Lancaster assessment area. See the Community Development Lending section of this Lending Test on page 64 of this evaluation for additional details on these loans.

### **Lending to Businesses of Different Sizes**

An analysis of Susquehanna's distribution of loans to businesses reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the Lancaster assessment area was used as a proxy to estimate demand for business credit in the assessment area. According to available business data for 2011, 28,160 businesses operated in the assessment area, with 90% designated as small businesses or reporting revenues of less than \$1 million. In 2012, there were 28,436 businesses in the assessment area, with 90% designated as small businesses or reporting revenues of less than \$1 million.

For 2011, 37% of Susquehanna's small business loans were originated to small businesses. Aggregate 2011 CRA small business loan data show that 42% of all small business loans made in the assessment area during that year were originated to small businesses. For 2012, 41% of Susquehanna's small business loans were originated to small businesses. Aggregate 2012 CRA small business loan data was not available at the time of the evaluation for review or comparison.

Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. In 2011, 53% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less. Aggregate data for 2011 show that 88% of all small business loans made in the assessment area during that year were originated in amounts of \$100 thousand or less. In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the Lancaster assessment area, American Express Bank FSB and U.S. Bank NA accounted for 32% of all small business loans originated in 2011.

In 2012, 55% of the bank's small business loans were extended in an amount of \$100 thousand or less. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

### **Lending to Farms of Different Sizes**

Small farm lending data were analyzed to determine the extent of lending to farms of different sizes, especially small farms. A small farm is defined as a farm with gross annual revenues of \$1 million or less. Susquehanna's distribution of loans reflects good penetration among farms of different sizes.

For 2011, Susquehanna originated 75 small farm loans, aggregating \$8.2 million, 78% of which were extended to small farms. In contrast, aggregate 2011 CRA small farm loan data show that 89% of all small farm loans made in the assessment area were to small farms. Further, according to business data provided by Dun and Bradstreet, approximately 98% of farms in the Lancaster assessment area were small farms. In 2012, Susquehanna originated 70 small farm loans aggregating \$9.7 million, 67% of which were extended to small farms. Aggregate 2012 CRA small farm loan data was not available at the time of the evaluation for comparison.

### **Community Development Lending**

Susquehanna is a leader in making community development loans in the Lancaster assessment area. During the period evaluated, the bank originated 14 community development loans, aggregating \$18.3 million. Of the total loan dollars, 71% supported economic development initiatives, 28% supported the provision of community development services, and the remaining 1% supported affordable housing in the assessment area.

To further enhance its community development lending in the Lancaster assessment area, the bank has also issued five commercial letters of credit which qualified as community development because the letters provided \$650 thousand in credit support for community development initiatives, namely affordable housing, economic development, and revitalization projects in the city of Lancaster.

## **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals as well as the innovativeness and complexity of such investments. Qualified investments made before the previous evaluation, which are still outstanding, are considered under this test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is high satisfactory in the Lancaster assessment area. Of Susquehanna's total current investments, 5% are attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants in the Lancaster assessment area. Investments, aggregating \$3.1 million, mainly (95%) support affordable housing. The remaining 5% of investment dollars support community development services and economic development.

Of the bank's investments, \$1.8 million are targeted mortgage-backed securities containing residential mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. The bank also holds \$991 thousand in low-income housing tax credits (LIHTC). The LIHTC program allows the bank to make direct investments in affordable housing projects.

The bank made grants and contributions to various organizations that routinely provide affordable housing, economic development, and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$353 thousand in qualified grants and donations that benefit the Lancaster assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs. The bank's investments primarily support affordable housing, a need demonstrated by the high unemployment rates in the city of Lancaster, a recent increase in foreclosures levels, and a significant low- and moderate-income population in the assessment area.

## **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;

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- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank’s performance under the service test is high satisfactory in the Lancaster assessment area.

**Accessibility of Delivery Systems**

The bank’s delivery systems are reasonably accessible to essentially all portions of the assessment area. In 2011, Susquehanna operated 33 branches in the assessment area with one of those branches, or 3%, located in low- or moderate-income census tracts. By comparison, 12% of the assessment area population resided in the low- and moderate-income tracts.

In 2012, Susquehanna operated 33 branches in the assessment area, with one of those branches, or 3%, located in low- or moderate-income census tracts. By comparison, 13% of the assessment area population resided in the low- and moderate-income tracts. The majority of the bank’s branches are located in middle-income tracts, two of which are adjacent to moderate-income tracts making them accessible to customers in moderate-income areas.

The following table details the locations of the bank’s branches and the population served.

| <b>SUSQUEHANNA BANK<br/>RETAIL BRANCH DISTRIBUTION<br/>LANCASTER ASSESSMENT AREA</b> |                           |                         |                   |                           |
|--|---------------------------|-------------------------|-------------------|---------------------------|
| <b>2011 (Demographics based on 2000 Census)</b>                                      |                           |                         |                   |                           |
| <b>Census Tract Type</b>   | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income   | 0                         | 0                       | 14,746            | 3                         |
| Moderate-income  | 1                         | 3                       | 40,901            | 9                         |
| Middle-income  | 27                        | 82                      | 371,929           | 79                        |
| Upper-income   | 5                         | 15                      | 43,082            | 9                         |
| Unknown income   | NA                        | N/A                     | 0                 | 0                         |
| <b>Totals</b>  | <b>33</b>                 | <b>100%</b>             | <b>470,658</b>    | <b>100%</b>               |
| <b>2012 (Demographics based on 2010 Census)</b>                                      |                           |                         |                   |                           |
| <b>Census Tract Type</b>   | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income   | 0                         | 0                       | 24,452            | 5                         |
| Moderate-income  | 1                         | 3                       | 43,003            | 8                         |
| Middle-income  | 29                        | 88                      | 391,855           | 75                        |
| Upper-income   | 3                         | 9                       | 60,135            | 12                        |
| Unknown income   | NA                        | N/A                     | 0                 | 0                         |
| <b>Totals</b>  | <b>33</b>                 | <b>100%</b>             | <b>519,445</b>    | <b>100%</b>               |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device.

*Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24 hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. Mobile banking includes text banking which, as a subset of its mobile banking services, is a convenience to customers who do not have internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account history 24 hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and in Spanish.

### **Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers three dollars per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

### **Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income census tracts or to low- and moderate-income individuals.

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During the CRA evaluation period, Susquehanna added ten branches in the Lancaster assessment area as a result of its acquisition of Graystone Tower Bank. Susquehanna closed nine of the branches (one branch was located in a low-income tract, seven branches were in middle-income tracts, and one branch was in an upper-income tract). The Elizabethtown branch remained open as Susquehanna had no branches in the immediate vicinity of that office.

| Action | Census Tract  | Street                                   | City       | State |
|--------|---------------|--|------------|-------|
| Closed | Middle-Income | 1859 West Main Street                    | Ephrata    | PA    |
| Closed | Middle-Income | 30 West Main Street                      | Ephrata    | PA    |
| Closed | Middle-Income | 890 East Main Street                     | Ephrata    | PA    |
| Closed | Middle-income | 100 Granite Run Drive                    | Lancaster  | PA    |
| Closed | Low-Income    | 129 East Orange Street                   | Lancaster  | PA    |
| Closed | Middle-Income | 1817 Oregon Pike                         | Lancaster  | PA    |
| Closed | Middle-income | 361 West Main Street                     | Leola      | PA    |
| Closed | Middle-Income | 7 West 28 <sup>th</sup> Division Highway | Lititz     | PA    |
| Closed | Upper-Income  | 3840 Hempland Road                       | Mountville | PA    |

**Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

**Community Development Services**

Susquehanna is a leader in providing community development services in the Lancaster assessment area. In 2011, the bank had 14 employees sitting on boards or serving in other leadership capacities at ten area community development organizations. In 2012, 13 Susquehanna employees served the following organizations.

- Spanish-American Civic Association Development Corporation provides affordable rental and owner-occupied housing to low- and moderate-income residents.
- Community First Fund, a community development financial institution, serves central Pennsylvania.
- The Housing Development Corporation of Lancaster County, a non-profit organization, supports the development of affordable housing in the county.
- United Way of Lancaster’s “Bank On” Committee supports a program to assist the “unbanked” in opening checking and savings accounts.
- BASE, Inc. (Building and Supporting Entrepreneurship), connects small businesses with area loan programs and provides incubator and other business development services to local start-up businesses.
- Assets of Lancaster, provides technical assistance and incubator space to area small businesses.
- New Holland Visions, works to revitalize the downtown area of New Holland.
- Venture Lititz, a community nonprofit economic growth organization, provides leadership and support to existing and potential businesses within the downtown and beyond.

- Elizabethtown, Manheim and Lancaster Chambers of Commerce, support the local business environment through development seminars and business referrals.
- Economic Development Company of Lancaster, promotes business development and expansion within Lancaster County.
- Brethren Village, provides affordable living and homecare to the elderly in Lancaster PA.

Through a variety of partnerships, bank employees participate in financial literacy programs targeting low- and moderate-income youth, young adults and seniors in the assessment area. A notable partnership is with the Tabor Community Services Partnership through which five Susquehanna employees counseled more than 100 people. In addition, two employees provided group financial training at the juvenile justice and delinquency prevention committee.

### **YORK ASSESSMENT AREA**

This assessment area is comprised of the York-Hanover-Gettysburg consolidated statistical area (York CSA), which includes York and Adams Counties in southern Pennsylvania. According to the 2000 Census, the York CSA had 105 census tracts, of which six were designated as low-income and 11 as moderate-income. All six low-income census tracts were located in the city of York and 3% of the assessment area's population resided in these low-income tracts. Of the 11 moderate-income census tracts, nine were in the city of York and two were in Hanover Borough. Seven percent of the assessment area population resided in the moderate-income tracts.

At the 2010 Census, the York CSA was comprised of 113 census tracts, of which 11 were designated as low-income and 9 as moderate-income. All 11 low-income tracts were located in the city of York and five percent of the assessment area's population resided in these low-income tracts. Of the nine moderate-income tracts, five were in the city of York and four were in Hanover Borough. Six percent of the assessment area population resided in the moderate-income tracts.

Susquehanna's performance in the York CSA was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits as of June 30, 2012, 16 depository institutions operated in the York CSA. These 16 institutions maintained a total of 151 branches, holding \$6.4 billion in deposits. Susquehanna operated 20 of these branches, with \$781 million in deposits. The bank ranked third in the CSA, controlling 12% of the retail deposit market. Manufacturers and Traders Trust Company Bank, headquartered in Buffalo, NY, ranked first with 25% of the market. Of Susquehanna's total deposits, 6% come from the York CSA.

Home-mortgage loans were compared to the aggregate of all lenders in the York CSA reporting real estate loans pursuant to HMDA. These data are reported annually and the most recent year for which information is available is 2011, when a total of 345 institutions reported HMDA loans in the York CSA. Susquehanna ranked eighth, with 3% of all such loan originations and purchases. Wells Fargo Bank, NA, ranked first with 17% of loan originations and purchases.



Susquehanna's small business lending was also compared to the aggregate of all lenders in the assessment area. A total of 59 lenders reported small business loans in the York CSA in 2011. Among these lenders, Susquehanna ranked 11<sup>th</sup> with 3% of the market. American Express Bank, FSB ranked first with 14% of the market. Since business credit cards are included in CRA small business reporting, national lenders such as American Express Bank, FSB are a strong presence in the market.

### **ECONOMIC CHARACTERISTICS**

The York CSA economy has struggled with defense cuts and manufacturing losses, despite growth in the education and healthcare sector and temporary hiring at local manufacturing facilities. Strengths in the local economy include the healthcare and education sectors, which helped to offset near-term risks to goods-producing industries. Rising consumer confidence also helped regional manufacturers of consumer durables. Weaknesses include federal cuts to defense manufacturing (budget cuts have impacted local contractors like BAE Systems and Gichner Shelter Systems), falling house prices in nearby Baltimore, and the expiration of the payroll tax holiday. Overall, the manufacturing sector accounts for 18% of total area employment, while education and health services account for 15% of employment.

The largest employers in York County include York Hospital, Wal-Mart Stores, Giant Food Corporation, and Wellspan Medical Group. In Adams County, the largest employers include Knouse Foods Cooperative, Gettysburg College, and Gettysburg Hospital. The Federal government is also a large employer in both counties. Susquehanna's major banking competitors in the assessment area include Fulton Bank, NA, Peoples Bank, and Sovereign Bank (now Santander Bank, NA).

The York CSA unemployment rates are presented in the following table:

| <b>Locations</b> | <b>December 2011</b> | <b>December 2012</b> |
|------------------|----------------------|----------------------|
| York County      | 7.3                  | 7.5                  |
| City of York     | 11.3                 | 13.4                 |
| Adams County     | 6.3                  | 6.5                  |
| Pennsylvania     | 7.4                  | 7.9                  |

To ascertain assessment area credit needs, information was obtained from interviews and contacts with bankers, community organizations, and local government officials. These community leaders indicated that the credit needs in their community include affordable housing for seniors, first-time homebuyer programs offered in English and Spanish, and down payment and closing cost assistance for low- and moderate-income homebuyers, particularly in southern York County where housing costs have escalated because of its proximity to Baltimore.

## **HOUSING**

### **2000 Census Data**

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending. According to the 2000 Census, in the York CSA only 1% of owner-occupied units were located in low-income census tracts and 5% were in moderate-income tracts. The majority of owner-occupied units (78%) were located in middle-income tracts and 16% were in upper-income income tracts.

The York CSA contained 192,551 housing units. Single-family units comprised 78% of the housing units, while two-to-four family units comprised 9%, multifamily units 7%, and mobile homes 7%. The median age of the housing stock was 34 years, lower than the median age for housing stock in Pennsylvania at 43 years. Median rent in the assessment area was \$527, with 29% of renters paying more than 30% of their income for housing. Statewide median rent was \$531, with 35% of renters paying more than 30% of their income for housing.

According to the 2000 Census, the median housing value in the York CSA was \$108,453. A significant disparity existed between the median housing values in the upper-income (\$129,560) and middle-income census tracts (\$108,212) and corresponding values in moderate-income (\$64,381) and low-income (\$43,323) tracts. Of the total owner-occupied housing units in the assessment area, 43% were valued at less than \$100 thousand. In Pennsylvania, 54% of housing units are valued at less than \$100 thousand. The overall homeownership rate in the assessment area was 72%, compared to 65% statewide.

### **2010 Census Data**

According to the 2000 Census, in the York CSA 2% of owner-occupied units were located in low-income census tracts and 5% were in moderate-income tracts. The majority of owner-occupied units (65%) remained in middle-income tracts and 28% were in upper-income income tracts. The York CSA contained 216,664 housing units. Single-family units comprised 81% of the housing units in the assessment area, while two-to-four family units comprised 7%, multifamily units 7%, and mobile homes 6%. The median age of the housing stock was 38 years, lower than the median age for housing stock in Pennsylvania at 52 years. Median rent in the assessment area was \$743, with 37% of renters paying more than 30% of their income for housing. Statewide median rent was \$739, with 43% of renters paying more than 30% of their income for housing.

As of the 2010 Census, the median housing value in the York CSA was \$179,925. A significant disparity existed between the median housing values in the upper-income (\$223,105) and middle-income census tracts (\$172,556) and corresponding values in moderate-income (\$119,062) and low-income (\$67,506) tracts. Of the total owner-occupied housing units in the assessment area, 16% were valued at less than \$100 thousand. In Pennsylvania, 29% of housing units are valued at less than \$100 thousand.

Although the cost of housing in the York CSA remains low when compared to other northeastern metropolitan areas and the area continues to draw migrants from higher-cost areas like Harrisburg and Baltimore, falling house prices in these areas reduce York's comparative attractiveness. Moody's estimated that the average existing home price in the York CSA dropped from \$143,600 in 2011 to \$137,600 in 2012. The overall homeownership rate in the assessment area was 73%, compared to 63% statewide.

### **BORROWER INCOME DATA**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available from HUD. According to 2000 Census data, the median family income for the York CSA was \$51,626, slightly higher than the state median income level of \$49,184. In 2010, median family income increased to \$66,672, compared to the state median income level of \$63,364.

According to 2000 Census data, 15% of families in the assessment area were designated as low-income and 19% were moderate-income. Families living below the poverty level represented 5% of total families in the York CSA, compared to 8% in Pennsylvania as a whole. As of the 2010 Census, 16% of families in the York CSA were designated as low-income and 18% were moderate-income. Families living below the poverty level represented 6% of total families in the assessment area, compared to 9% in the state.

### **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. In the York CSA, according Dun and Bradstreet, in 2011, 4% of the assessment area's businesses were located in low-income census tracts and 6% were in moderate-income tracts. The substantial majority of businesses were located in middle-income tracts (74%) and 16% were in upper-income tracts. In 2012, 6% of businesses were located in low-income census tracts and 6% were in moderate-income tracts. The majority of businesses remained in middle-income tracts (62%) and 25% were in upper-income tracts.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>YORK ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 6                               | 5.7                                | 3,141                    | 2.4              | 956  | 30.4                 | 19,831                    | 15.2         |
| Moderate-income  | 11                              | 10.5                               | 7,213                    | 5.5              | 956  | 13.3                 | 24,520                    | 18.8         |
| Middle-income  | 69                              | 65.7                               | 100,308                  | 76.7             | 3,528  | 3.5                  | 34,630                    | 26.5         |
| Upper-income   | 19                              | 18.1                               | 20,036                   | 15.3             | 588  | 2.9                  | 51,717                    | 39.6         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>105</b>                      | <b>100.0</b>                       | <b>130,698</b>           | <b>100.0</b>     | <b>6,028</b>                                       | <b>4.6</b>           | <b>130,698</b>            | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          |                  | Rental   |                      | Vacant                    |              |
|  |                                 | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 6,572                           | 1,688                              | 1.2                      | 25.7             | 3,799  | 57.8                 | 1,085                     | 16.5         |
| Moderate-income  | 14,152                          | 6,323                              | 4.6                      | 44.7             | 6,409  | 45.3                 | 1,420                     | 10.0         |
| Middle-income  | 145,143                         | 108,605                            | 78.3                     | 74.8             | 29,692   | 20.5                 | 6,846                     | 4.7          |
| Upper-income   | 26,684                          | 22,053                             | 15.9                     | 82.6             | 3,302  | 12.4                 | 1,329                     | 5.0          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>192,551</b>                  | <b>138,669</b>                     | <b>100.0</b>             | <b>72.0</b>      | <b>43,202</b>                                      | <b>22.4</b>          | <b>10,680</b>             | <b>5.5</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 1,258                           | 4.5                                | 1,086                    | 4.3              | 121  | 7.7                  | 51                        | 5.3          |
| Moderate-income  | 1,584                           | 5.7                                | 1,402                    | 5.5              | 127  | 8.1                  | 55                        | 5.7          |
| Middle-income  | 20,558                          | 73.6                               | 18,718                   | 73.7             | 1,118  | 71.1                 | 722                       | 75.2         |
| Upper-income   | 4,522                           | 16.2                               | 4,183                    | 16.5             | 207  | 13.2                 | 132                       | 13.8         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>27,922</b>                   | <b>100.0</b>                       | <b>25,389</b>            | <b>100.0</b>     | <b>1,573</b>                                       | <b>100.0</b>         | <b>960</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | 90.9             |  | 5.6                  |                           | 3.4          |
|  | Total Farms by Tract            | Farms by Tract & Revenue Size      |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 1                               | 0.1                                | 1                        | 0.1              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 3                               | 0.3                                | 2                        | 0.2              | 1  | 5.3                  | 0                         | 0.0          |
| Middle-income  | 940                             | 80.0                               | 925                      | 80.0             | 15   | 78.9                 | 0                         | 0.0          |
| Upper-income   | 231                             | 19.7                               | 228                      | 19.7             | 3  | 15.8                 | 0                         | 0.0          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>1,175</b>                    | <b>100.0</b>                       | <b>1,156</b>             | <b>100.0</b>     | <b>19</b>  | <b>100.0</b>         | <b>0</b>                  | <b>0.0</b>   |
|  | Percentage of Total Farms:      |                                    |                          | 98.4             |  | 1.6                  |                           | 0.0          |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>YORK ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 11                              | 9.7                                | 6,006                    | 4.1              | 2,485  | 41.4                 | 23,780                    | 16.3         |
| Moderate-income  | 9                               | 8.0                                | 8,776                    | 6.0              | 1,135  | 12.9                 | 26,482                    | 18.2         |
| Middle-income  | 63                              | 55.8                               | 92,134                   | 63.2             | 4,112  | 4.5                  | 34,873                    | 23.9         |
| Upper-income   | 30                              | 26.5                               | 38,791                   | 26.6             | 1,191  | 3.1                  | 60,572                    | 41.6         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>113</b>                      | <b>100.0</b>                       | <b>145,707</b>           | <b>100.0</b>     | <b>8,923</b>                                       | <b>6.1</b>           | <b>145,707</b>            | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 12,507                          | 3,450                              | 2.2                      | 27.6             | 6,918  | 55.3                 | 2,139                     | 17.1         |
| Moderate-income  | 14,970                          | 8,145                              | 5.2                      | 54.4             | 5,972  | 39.9                 | 853                       | 5.7          |
| Middle-income  | 135,879                         | 102,145                            | 65.0                     | 75.2             | 27,433   | 20.2                 | 6,301                     | 4.6          |
| Upper-income   | 53,308                          | 43,415                             | 27.6                     | 81.4             | 7,453  | 14.0                 | 2,440                     | 4.6          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>216,664</b>                  | <b>157,155</b>                     | <b>100.0</b>             | <b>72.5</b>      | <b>47,776</b>                                      | <b>22.1</b>          | <b>11,733</b>             | <b>5.4</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 1,721                           | 6.1                                | 1,492                    | 5.8              | 155  | 9.8                  | 74                        | 7.2          |
| Moderate-income  | 1,677                           | 5.9                                | 1,475                    | 5.8              | 145  | 9.2                  | 57                        | 5.6          |
| Middle-income  | 17,552                          | 62.1                               | 15,901                   | 62.0             | 973  | 61.7                 | 678                       | 66.3         |
| Upper-income   | 7,293                           | 25.8                               | 6,774                    | 26.4             | 305  | 19.3                 | 214                       | 20.9         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>28,243</b>                   | <b>100.0</b>                       | <b>25,642</b>            | <b>100.0</b>     | <b>1,578</b>                                       | <b>100.0</b>         | <b>1,023</b>              | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    | 90.8                     |                  | 5.6  |                      | 3.6                       |              |
|  | Total Farms by Tract            | Farms by Tract & Revenue Size      |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 3                               | 0.2                                | 3                        | 0.2              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 3                               | 0.2                                | 2                        | 0.2              | 1  | 5.6                  | 0                         | 0.0          |
| Middle-income  | 877                             | 69.6                               | 866                      | 69.7             | 11   | 61.1                 | 0                         | 0.0          |
| Upper-income   | 377                             | 29.9                               | 371                      | 29.9             | 6  | 33.3                 | 0                         | 0.0          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>1,260</b>                    | <b>100.0</b>                       | <b>1,242</b>             | <b>100.0</b>     | <b>18</b>  | <b>100.0</b>         | <b>0</b>                  | <b>0.0</b>   |
|  | Percentage of Total Farms:      |                                    | 98.6                     |                  | 1.4  |                      | 0.0                       |              |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is assessed as high satisfactory in the York assessment area.

**Geographic Distribution of Lending**

An analysis of the geographic distribution of loans in the York assessment area reflects excellent penetration throughout the assessment area, including low- and moderate-income census tracts.

**Home Mortgage Lending**

Susquehanna originated 1,155 home-mortgage loans, aggregating \$175 million, in the York CSA during the evaluation period. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2000 Census data, 78% of the assessment area’s owner-occupied housing stock was in middle-income census tracts and 16% was in upper-income tracts. There were a limited number of owner-occupied housing units in the low- and moderate-tracts in the assessment area, with only 1% of housing units located in low-income tracts and 5% in moderate-income tracts.

At the 2010 Census, 65% of the York assessment area’s owner-occupied housing was located in middle- income census tracts and 28% in upper-income tracts. There continued to be a limited number of owner-occupied units in the low- and moderate-income tracts, with 2% of housing units in low-income tracts and 5% in moderate-income tracts.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and available aggregate lending levels in the York assessment area.

| SUSQUEHANNA BANK<br>YORK ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL |                                      |                                      |                       |                     |                       |
|---|--------------------------------------|--------------------------------------|-----------------------|---------------------|-----------------------|
| Income Level  | % Owner occupied units (2000 Census) | % Owner occupied units (2010 Census) | Aggregate Comparison  |                     |                       |
|   |                                      |                                      | 2011                  |                     | 2012*                 |
|   |                                      |                                      | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 1                                    | 2                                    | 1                     | 1                   | 1                     |
| Moderate  | 5                                    | 5                                    | 4                     | 3                   | 5                     |
| Middle  | 78                                   | 65                                   | 79                    | 77                  | 62                    |
| Upper   | 16                                   | 28                                   | 16                    | 19                  | 32                    |
| Unknown   | 0                                    | 0                                    | 0                     | 0                   | 0                     |
| <b>Total</b>  | <b>100%</b>                          | <b>100%</b>                          | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

**Lending in Low-Income Census Tracts**

**2000 Census**

In 2011, Susquehanna’s HMDA lending level of 1% in low-income census tracts was equal to both the applicable owner-occupied housing proxy and the aggregate 2011 HMDA lending level of 1%.

In 2011, the bank made 1% of its home-purchase loans and 1% of its refinance loans in low-income census tracts. The bank made no home-improvement loans in low-income tracts. By comparison, Susquehanna's lending levels were equal to the 2011 aggregate lending levels of 1% for all home-purchase loans and 1% of refinance loans, but below the 1% level for all home-improvement loans.

Aggregate 2011 loan data also show that 12% of all loans to finance multifamily housing were extended to finance properties in low-income tracts. Susquehanna did not originate any loans for multifamily housing in the assessment area's low-income tracts in 2011. Opportunities that exist to help meet community credit needs may be in the multifamily market, as 58% of housing in the low-income census tracts was rental housing.

### **2010 Census**

In 2012, the bank's HMDA lending level in low-income tracts was 1%, falling below the applicable housing proxy of 2%. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

In 2012, Susquehanna made 1% of its home-purchase loans and 1% of its refinance loans in low-income tracts. The bank made 2% of its home-improvement loans and 50% of its loans to finance multifamily housing (one loan) in low-income tracts in 2012. Aggregate 2012 HMDA data were not available at the time of the evaluation for comparison.

Over the evaluation period, there were limited lending opportunities for any banks operating in the York assessment area's low-income census tracts, due to the small number of housing units located in these tracts. Neither Susquehanna, nor aggregate lenders made a substantial number of home-mortgage loans in low-income census tracts. In addition, as previously noted, all of the low-income tracts were located in the city of York. Susquehanna operates just one branch in a low-income tract in the city and no branches in moderate-income tracts, limiting the bank's ability to originate loans in these tracts.

### **Lending in Moderate-Income Census Tracts**

#### **2000 Census**

In 2011, Susquehanna's HMDA lending level in moderate-income census tracts was 4%, which was below the applicable housing proxy of 5% but above the aggregate 2011 HMDA lending level of 3%.

In 2011, Susquehanna made 5% of its home-purchase loans, 2% of its refinance loans, and 3% of its home-improvement loans in moderate-income tracts. By comparison, Susquehanna's lending levels were above the 2011 aggregate lending levels of 4% for home-purchase loans, equal to the aggregate lending level of 2% for refinance loans, and below the aggregate level of 4% for home-improvement loans. Loan data also shows that 50% of the loans extended by Susquehanna to finance multifamily housing were made in moderate-income tracts, compared to the aggregate lending level of 20%.

**2010 Census**

The bank’s 2012 HMDA lending level in moderate-income tracts increased to 5% and was equal to the applicable proxy. Aggregate 2012 data were not available at the time of the evaluation for comparison. In 2012, Susquehanna made 5% of its home-purchase loans, 5% of refinance loans, and 2% of its home-improvement loans in moderate-income tracts. The bank made no loans to finance multifamily housing in moderate-income tracts in 2012.

Overall, Susquehanna did good job at lending in moderate-income census tracts, in context of the York assessment area’s demographics (just 5% of housing units were in moderate-income tracts) and the presence of many large banking organizations and mortgage companies within the assessment area. In 2011, 345 mortgage lenders reported HMDA loans in the assessment area.

**Small Business Lending**

The geographic distribution of Susquehanna’s small business loans reflects excellent dispersion throughout the York assessment area, in context of the assessment area’s economic characteristics during the evaluation period.

During the period evaluated, Susquehanna originated 404 small business loans in the assessment area, in an aggregate amount of \$59.4 million. The bank increased its total number of small business loans in the York assessment area in 2012 by 30%, compared to its 2011 lending. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business credit is in the tract. Business demographics revealed a total of 27,922 businesses located within the York assessment area in 2011. Based on available business data, 4% of the assessment area’s businesses were located in low-income census tracts and 6% were located in moderate-income tracts. In 2012, 28,243 businesses were located in the York assessment area. Of these businesses, 6% were located in low-income census tracts and 6% were in moderate-income tracts.

The following table shows a comparison of Susquehanna’s lending levels by census tract type to the respective business loan demand proxies of each tract type.

| SUSQUEHANNA BANK<br>YORK ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS |                                   |                                   |                       |                     |                       |
|---|-----------------------------------|-----------------------------------|-----------------------|---------------------|-----------------------|
| Census Tract Type   | % Businesses by Tract Type (2011) | % Businesses by Tract Type (2012) | Aggregate Comparison  |                     |                       |
|   |                                   |                                   | 2011                  |                     | 2012*                 |
|   |                                   |                                   | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 4                                 | 6                                 | 4                     | 3                   | 12                    |
| Moderate  | 6                                 | 6                                 | 10                    | 6                   | 8                     |
| Middle  | 74                                | 62                                | 68                    | 71                  | 58                    |
| Upper   | 16                                | 26                                | 18                    | 18                  | 22                    |
| Unknown   | 0                                 | 0                                 | 0                     | 2                   | 0                     |
| <b>Total</b>  | <b>100%</b>                       | <b>100%</b>                       | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.



### **Lending in Low-Income Census Tracts**

For 2011, Susquehanna's lending level in low-income census tracts was 4%, which was the same as the applicable loan demand proxy of 4%, and above the aggregate 2011 lending level of 3%.

In 2012, the bank's lending level in low-income tracts increased significantly to 12% of small business loans, which was double the applicable proxy of 6%. Further, the number of loans originated by the bank in low-income census tracts tripled, compared to the 2011 lending. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

### **Lending in Moderate-Income Census Tracts**

Susquehanna's 2011 lending level in the assessment area's moderate-income census tracts was 10%, which was above the applicable business proxy and the 2011 aggregate lending level of 6%.

In 2012, the bank's relative lending level in moderate-income tracts decreased to 8%, but remained above the applicable proxy of 6% of businesses. However, the number of loans originated by the bank in moderate-income tracts remained the same, compared to its 2011 lending. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for comparison.

### **Small Farm Lending**

For purposes of CRA, a small farm loan is a commercial loan with an origination amount of \$500 thousand or less and is either secured by farmland, or is classified as a loan to finance agricultural production and other loans to farmers. Susquehanna made efforts to meet the credit needs of the local community by providing small farm loans. Only 15 financial institutions originated small farm loans in the York assessment area in 2011. The 2012 aggregate data was not available for comparison. Further, the geographic distribution of the bank's small farm loans reflects good penetration throughout the assessment area.

Business demographics revealed a total of 1,260 farms located within the York assessment area. Just six of the farms (less than 1% of total farms) were located in low-income or moderate-income tracts. Seventy percent of farms were located in middle-income tracts and 30% were in upper-income tracts. During the evaluation period, Susquehanna originated 24 small farm loans, aggregating \$4.4 million, in the York assessment area. Of these loans, 71% financed farms in middle-income census tracts and 29% were in upper-income tracts. None of the loans financed farms in low- or moderate-income census tracts. The 2011 aggregate CRA small farm loan data show that only 1% of all small farm loans made in the assessment area were in low- or moderate-income tracts.

**Distribution of Loans by Borrower Income Level and Revenue Size of Business**

Given the York assessment area’s demographic and economic characteristics, the distribution of Susquehanna’s borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income persons, and businesses of different sizes, including small businesses.

**Home Mortgage Lending**

Susquehanna’s distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, reflects excellent penetration in the York assessment area.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, 15% of assessment area families were low-income and 19% were moderate-income according to the 2000 Census. Likewise, according to the 2010 Census, 16% of families were low-income and 18% were moderate-income.

Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. More than one third of families in the York assessment area were designated as low- or moderate-income, indicating a need for both home-mortgage credit and affordable rental housing (multifamily housing) for this segment of the population. Further, there is sufficient opportunity for banks to make loans to this segment of the population. Of the approximately 15 thousand low- and moderate-income families in the assessment area, a significant portion (67%) live in the city of York, where housing is more affordable. According to the 2010 Census, the median housing value was \$80,128 in the city, compared to a median housing value of \$179,925, for the York assessment area.

The following table compares Susquehanna’s lending to aggregate lending levels, using median family income as a proxy for loan demand.

| SUSQUEHANNA BANK<br>YORK ASSESSMENT AREA<br>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL |  |  |                       |                     |                       |
|---|--|--|-----------------------|---------------------|-----------------------|
| Income Level  | % Families by Income Level (2000 Census) | % Families by Income Level (2010 Census) | Aggregate Comparison  |                     |                       |
|   |  |  | 2011                  |                     | 2012*                 |
|   |  |  | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 15                                       | 16                                       | 12                    | 7                   | 12                    |
| Moderate  | 19                                       | 18                                       | 30                    | 20                  | 32                    |
| Middle  | 26                                       | 24                                       | 26                    | 23                  | 25                    |
| Upper   | 40                                       | 42                                       | 28                    | 34                  | 27                    |
| Unknown   | 0  | 0  | 4                     | 16                  | 4                     |
| <b>Total</b>  | <b>100%</b>                              | <b>100%</b>                              | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

Susquehanna originated 1,155 home-mortgage loans, aggregating \$174.9 million, in the York assessment area during the evaluation period.

### **Lending to Low-Income Borrowers**

#### **2000 Census Data**

For 2011, 12% of the bank's home-mortgage loans were to low-income borrowers in the assessment area, which was below the applicable proxy of 15% of low-income families, but above the 2011 aggregate lending level of 7% of loans.

For 2011, Susquehanna originated 14% of its home-purchase loans, 8% of its refinance loans and 15% of its home-improvement loans to low-income borrowers. Susquehanna's lending levels were above the 2011 aggregate lending level of 9% for home-purchase loans, 5% for refinance loans, and 10% for home-improvement loans.

#### **2010 Census**

For 2012, the bank's lending level to low-income borrowers stayed at 12%. The applicable proxy rose to 16% and aggregate 2012 HMDA data were not available at the time of the evaluation for comparison.

For 2012, the bank originated 14% of its home-purchase loans, 7% of refinance loans, and 12% of its home-improvement loans to low-income borrowers. Aggregate 2012 HMDA loan data were not available at the time of the evaluation for comparison.

In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration that home-mortgage credit needs of such individuals and families can be a challenge, presenting a significant obstacle to homeownership. As noted previously, 43% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. Despite these barriers, Susquehanna did an excellent job at making loans to low-income borrowers.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, Susquehanna's overall level of HMDA loans to moderate-income borrowers was excellent.

#### **2000 Census**

Susquehanna's 2011 lending level to moderate-income families of 30% well exceeded both the applicable proxy of 19% of moderate-income families and the 2011 aggregate HMDA lending level of 20%.

For 2011, the bank originated 37% of its home-purchase loans, 15% of its refinance loans and 18% of its home-improvement loans to moderate-income borrowers. Susquehanna's lending levels exceeded the 2011 aggregate lending levels of 27% for home-purchase loans, but was slightly below aggregate lending levels of 16% for refinance loans and 22% for home-improvement loans to moderate-income borrowers.

### **2010 Census**

In 2012, the bank's lending level to moderate-income families at 32% well exceeded the applicable proxy of 18% of low-income families. Aggregate 2012 HMDA data were not available at the time of the evaluation for comparison.

For 2012, Susquehanna made 36% of its home-purchase loans, 22% of its refinance loans, and 21% of its home-improvement loans to moderate-income borrowers. Aggregate 2012 HMDA loan data were not available at the time of the evaluation for comparison.

### **Lending to Businesses of Different Sizes**

Susquehanna's distribution of loans to businesses in the York assessment area reflects adequate penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available business data for 2011, 27,922 businesses operated in the York assessment area, with 91% designated as small businesses or reporting revenues of less than \$1 million. In 2012, 28,243 businesses operated in the York assessment area, with 91% designated as small businesses.

For 2011, 36% of Susquehanna's small business loans were originated to small businesses. For 2012, 31% of the bank's loans were to small businesses. Although the bank's level of lending to small businesses in each of the years is significantly less than the percentage of small business entities operating in this assessment area, the bank's level of small business lending is not far off the aggregate performance reflected in the 2011 aggregate data, which indicates that 47% of all reported small business loans were made to small businesses. Considering aggregate lending performance, the bank's level of lending to small businesses is considered adequate.

Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. For 2011, 66% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less. Aggregate data for 2011 show that 91% of all small business loans made in the assessment area during that year were originated in amounts of \$100 thousand or less. In 2012, 63% of the bank's small business loans were extended in an amount of \$100 thousand or less.

In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the York assessment area, American Express Bank, FSB and GE Money Bank accounted for 26% of all small business loans originated in 2011.

### **Lending to Farms of Different Sizes**

A small farm is defined as a farm with gross annual revenues of \$1 million or less. Susquehanna made continuing efforts to meet the credit needs of the local community by providing small farm loans. Only 15 financial institutions originated small farm loans in the York assessment area in 2011. The bank's distribution of loans shows good penetration among farms of different sizes.

The number of farms operating in the assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available business data for 2011, 1,175 total farms operated in the York assessment area, with 98% designated as small farms or reporting revenues of less than \$500 thousand. In 2012, 1,260 farms operated in the York assessment area, with 99% designated as small farms.

In 2011, Susquehanna originated 16 small farm loans aggregating \$3.2 million, 88% of which were extended to small farms. In 2012, the bank originated 8 small farm loans, aggregating \$1.2 million, 100% of which were made to small farms. By comparison, aggregate 2011 CRA small farm loan data show that 74% of all small farm loans made in the assessment area were to small farms. Further, according to business data provided by Dun and Bradstreet, approximately 99% of farms in the York assessment area were small farms.

Further, of the 24 small farm loans Susquehanna originated over the evaluation period, half were extended in an amount of \$100 thousand or less, compared to the 2011 aggregate level of 68% of all loans.

### **Flexible Lending Programs**

Innovative or flexible lending programs can help to address the credit needs of low- and moderate-income individuals, families, and households. Susquehanna enhanced its home-mortgage lending profile among low- and moderate-income borrowers in the assessment area during the evaluation period.

Using its proprietary residential mortgage product developed for low- and moderate-income borrowers, the bank originated 141 loans aggregating \$15 million in the York assessment area. The product allows for flexible underwriting standards and below market interest rates with no private mortgage insurance requirements.

In conjunction with the Farmers Home Administration Rural Housing loan program, which offers loans to low- and moderate-income individuals or households to purchase homes in rural areas, the bank originated 121 loans, aggregating \$18.5 million, in the York assessment area.

Susquehanna issued one loan in the York assessment area through the PHFA Keystone Advantage Assistance Loan program. The program provides a second mortgage loan of up to 2% of the purchase price or market value to help with the costs associated with the purchase of a home to qualified borrowers.

The bank also made a significant number of community development loans to support affordable housing in the assessment area.

### **Community Development Lending**

Susquehanna made an excellent level of community development loans in the York assessment area. During the period evaluated, the bank originated eight community development loans totaling \$15.7 million. All eight loans supported the provision of community development services. Community groups expressed a significant need for services for the low- and moderate-income population, particularly in the city of York where 74% of families are designated as low- or moderate-income.

### **Responsiveness to Credit Needs**

Susquehanna exhibits an excellent record of serving the credit needs of the most economically disadvantaged areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices. The bank achieved this record primarily through its community development lending and the use of innovative and flexible lending practices to address credit needs.

## **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals. The test also considers the innovativeness and complexity of these investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is high satisfactory in the York assessment area. Of Susquehanna's total current investments, 7% are attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants in the York assessment area, with investments totaling \$4.5 million. The substantial majority of these investments (99%) support affordable housing. The remaining 1% of investments supports community development services and economic development.

Of the bank's investments, \$2 million are targeted mortgage-backed securities containing residential mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. The bank also holds \$2.4 million in low-income housing tax credits. The LIHTC program allows the bank to make direct investments in affordable housing projects.

In addition to these investments, Susquehanna made grants and contributions to various organizations that routinely provide affordable housing, economic development, and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$127 thousand in qualified grants and donations that benefit the York assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. A large portion of the bank's investments support affordable housing in an area with a demonstrated need for affordable housing as a result of high unemployment and the recent loss of higher-wage jobs in the York assessment area.

### **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank's performance under the service test is assessed as high satisfactory in the York assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. In 2011, Susquehanna operated 20 branches in the assessment area with one of those branches, or 5%, located in a low- or moderate-income census tract. By comparison, 10% of the assessment area population resided in the low- and moderate-income tracts.

In 2012, Susquehanna operated 21 branches in the assessment area, with one of those branches, or 5%, located in a low- or moderate-income census tract. By comparison, 11% of the assessment area population resided in the low- and moderate- income tracts. The majority of the branches are located in middle-income tracts, as the majority of the population resides in middle-income tracts.

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The following table details the locations of the bank's branches and the population served.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>YORK ASSESSMENT AREA |                    |                  |                |                    |
|--|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                               |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 1                  | 5                | 14,043         | 3                  |
| Moderate-income  | 0                  | 0                | 31,089         | 7                  |
| Middle-income  | 18                 | 90               | 357,425        | 75                 |
| Upper-income   | 1                  | 5                | 70,476         | 15                 |
| Unknown income   | NA                 | N/A              | 0              | 0                  |
| <b>Totals</b>  | <b>20</b>          | <b>100%</b>      | <b>473,033</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                               |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 1                  | 5                | 29,055         | 5                  |
| Moderate-income  | 0                  | 0                | 32,515         | 6                  |
| Middle-income  | 16                 | 76               | 333,364        | 63                 |
| Upper-income   | 4                  | 19               | 141,445        | 26                 |
| Unknown income   | NA                 | N/A              | 0              | 0                  |
| <b>Totals</b>  | <b>21</b>          | <b>100%</b>      | <b>536,379</b> | <b>100%</b>        |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers three dollars per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.



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*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

**Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income census tracts or to low- and moderate-income individuals.

During the CRA evaluation period, Susquehanna acquired four branches in the York assessment area as a result of its acquisition of Graystone Tower Bank. One of these branches was located in a moderate-income census tract and three branches were in middle-income tracts. Three of the branches were closed and one middle-income tract branch remained open. Bank management indicated that the moderate-income tract branch was closed because Susquehanna was already operating a branch less than one mile away. However, the nearby North Carlisle branch is located in an adjacent middle-income tract.

| Action    | Census Tract    | Street                  | City      | State |
|-----------|-----------------|-------------------------|-----------|-------|
| Purchased | Middle-income   | 830 US Route 15         | Dillsburg | PA    |
| Closed    | Middle-income   | 2270 East Market Street | York      | PA    |
| Closed    | Moderate-income | 1001 Carlisle Street    | Hanover   | PA    |
| Closed    | Middle-Income   | 509 Greenbrier Road     | York      | PA    |

**Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

**Community Development Services**

Susquehanna provides a relatively high level of community development services in the York assessment area. Seven bank employees served on boards of directors, or provided technical assistance to four area community development organizations. Notable among these:

- Crispus Attucks Association of York, a nonprofit organization, provides community development and affordable housing services in York County.
- Junior Achievement of Central Pennsylvania, a group dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs.
- York Habitat for Humanity, a nonprofit corporation, assists in the development of affordable housing for low-income families.

**SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA**

The South Central Pennsylvania assessment area consists of a three county nonmetropolitan region comprised of Bedford, Franklin, and Fulton Counties. According to the 2000 Census, the assessment area contained 40 census tracts, three of which were moderate-income tracts located in Coaldale in Bedford County and Chambersburg and Waynesboro in Franklin County. Six percent of the assessment area population resided in these moderate-income tracts. Although the assessment area had no low-income census tracts at the 2000 Census, the three tracts comprising Fulton County were middle-income tracts designated as rural and underserved. For purposes of CRA, a middle-income census tract designated as underserved constitutes a remote rural area with a population so small, thin, and distant from a population center that it will have difficulty financing essential community needs. Lending in these tracts is considered for CRA purposes. Seven percent of the assessment area population resided in Fulton County.

According to the 2010 Census, the three county assessment area consisted of 41 census tracts, three of which were moderate-income. Two of the moderate-income census tracts were located in the city of Chambersburg in Franklin County and one moderate-income tract was in Coaldale, Bedford County. Five percent of the assessment area population resided in these moderate-income tracts. In addition, Fulton County's three middle-income tracts remained designated rural and underserved. Seven percent of the assessment area population resided in Fulton County.

Susquehanna's performance was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits as of June 30, 2012, 15 depository institutions operated in the assessment area, maintaining a total of 82 branches holding \$2.9 billion in deposits. Susquehanna operated 16 of these branches, holding \$807 million in deposits, or 6% of the bank's total deposits. The bank ranked first in this three-county assessment area, controlling 28% of the retail deposit market. Competitors in the assessment area included Farmers and Merchants Trust Company of Chambersburg, which ranked second holding 22% of market deposits, and Manufacturers and Traders Trust Company Bank ranked third with 16% of the deposit market.

HMDA loans were compared to the aggregate of all lenders in the South Central Pennsylvania assessment area reporting real estate loans pursuant to HMDA. These data are reported annually and the most recent year for which information is available is 2011, when 5,847 home-mortgage loans were collectively originated by 242 financial institutions. Susquehanna ranked eleventh with 2% of all such loan originations and purchases. Wells Fargo Bank, NA was the largest residential-mortgage lender with 14% of loan originations and purchases.

Among small business lenders operating in the assessment area, Susquehanna ranked fifth with 6% of the market. According to 2011 aggregate CRA data, there were a total of 59 small business loan reporters in the South Central Pennsylvania assessment area. These 59 reporters collectively originated 2,441 small business loans. U.S. Bank, NA ranked first in the market, originated 15% of reported loans. Farmers and Merchants Trust Company of Chambersburg ranked highest among local banks at eighth, reporting 4% of small business loans.

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Since CRA small business loan reporting includes small business loans issued by reporters under corporate credit card arrangements, the reporters with the highest rankings included national credit card originators U.S. Bank, NA; American Express Bank, FSB; Chase Bank USA, NA; Capital One Bank, NA; FIA Card Services, NA; Citibank SD, NA; and GE Capital Retail Bank. Together, these seven institutions originated 61% of all small business loans reported.

**ECONOMIC CHARACTERISTICS**

The South Central Pennsylvania assessment area consists of Bedford, Franklin, and Fulton Counties and includes the boroughs of Chambersburg, Waynesboro, Shippensburg, Bedford, and McConnellsburg. The assessment area has experienced a weak economic recovery, driven by small gains in the retail, manufacturing, and education and health services sectors. The regional economy has experienced slow growth as a result of state and municipal budget problems in nearby Harrisburg. Continuing strengths in the local economy include a below-average cost of living and very affordable housing stock.

The largest employers in the assessment area include federal and state government, Chambersburg Hospital, the Chambersburg School District, Walmart, Grove U.S. LLC, the Franklin County Courthouse, and Volvo Construction Equipment North America. The largest industry in the region is manufacturing, which has a 17% share of employment in the assessment area, compared to just 13% in Pennsylvania and 9% for the nation.

The competition for financial services is fairly strong due to the presence of large regional financial institutions as well as a number of smaller community banks in the assessment area. Locally headquartered Farmers and Merchants Trust Company of Chambersburg has a strong presence in the market, while Susquehanna and Orrstown Bank are regional institutions with a strong presence. National and superregional banks such as Manufacturers and Traders Trust Company Bank and Sovereign Bank, NA (now Santander Bank, NA) are also present in the market.

In the more rural Bedford and Fulton Counties, unemployment rates are higher when compared to the state as a whole. However, Franklin County has a more diversified economy with lower unemployment rates. Area unemployment rates are presented in the following table.

| <b>Geographical Area</b>                                     | <b>December 2011</b> | <b>December 2012</b> |
|--|----------------------|----------------------|
| Bedford County   | 9.8%                 | 10.8%                |
| Franklin County - Chambersburg micropolitan statistical area | 6.3%                 | 6.8%                 |
| Fulton County  | 8.8%                 | 9.8%                 |
| Pennsylvania   | 7.4%                 | 7.9%                 |

To determine the credit needs within the bank's assessment area, examiners interviewed community representatives. Written documentation of the interviews was reviewed during the course of the evaluation to ascertain the credit needs of the community. This information was supplemented with demographic and economic data pertinent to the area. The most frequently mentioned credit needs were loans and technical assistance for small businesses and affordable mortgage products for low- and moderate-income borrowers.

## **HOUSING**

### **2000 Census Data**

The amount of owner-occupied housing located within designated census tracts is used as a proxy to estimate demand for home-mortgage credit within such census tracts. In the assessment area, according to 2000 Census data, there were no low-income tracts and only 4% of owner-occupied housing units were located in the assessment area's moderate-income census tracts. The majority of owner-occupied housing units (74%) were located in middle-income tracts and 21% were in upper-income tracts.

The South Central Pennsylvania assessment area contained 84,122 housing units, of which 69% were owner-occupied, 22% were rental units, and 10% were vacant. The overall owner-occupancy rate in the moderate-income census tracts was low at 47%, while 41% of housing was rental and 13% was vacant. Of the total existing housing units, 75% were single family units, 7% were two-to-four family units, 5% multifamily units and 13% mobile homes.

The 2000 Census data show that the median age of the housing stock in the assessment area was 35 years, which was less than that of the state at 43 years. Median gross rent was \$439 per month, compared to \$531 for the state. In the assessment area's moderate-income tracts, the median age of the housing stock was 49 years, which was significantly older than the housing stock in the rest of the assessment area, and older than the state. The median gross rent in the assessment area's moderate-income tracts is lower at \$363 per month.

The median housing value in the assessment area was \$89,984, which was lower than the median housing value for the state (\$94,800). Similarly, 61% of the total owner-occupied housing units in the assessment area were valued at less than \$100 thousand, compared to the state as a whole, where 54% of housing units were valued at less than \$100 thousand. Some disparity existed between median housing values in moderate-income (\$72,715) tracts, compared to middle-income (\$87,422) and upper-income (\$103,584) tracts.

### **2010 Census Data**

According to the 2010 Census data, only 3% of owner-occupied housing units were located in moderate-income census tracts, while 59% were in middle-income tracts and 38% were in upper-income tracts. There were no low-income tracts in the assessment area at the 2010 Census.

The South Central Pennsylvania assessment area now contains 92,986 housing units, of which 68% were owner-occupied, 22% were rental units, and 10% were vacant. The 2010 Census data show that owner-occupancy rates were 42% in the moderate-income census tracts while 42% of units in these tracts were rental units, and 16% were vacant. Of the total existing housing units, 76% were single-family units, 7% two-to-four family units, 5% multifamily units, and 11% were mobile homes.

The 2010 Census data show that the median value of housing stock in the assessment area increased to \$161,163, which is slightly higher than the median housing value in the state (\$159,300). In the assessment area, 25% of the total owner-occupied housing units were valued at less than \$100 thousand, compared to the state as a whole, where 29% were valued at less than \$100 thousand. Some disparity exists between median housing values in moderate-income tracts (\$121,000) and median housing values in middle-income (\$145,406) and upper-income (\$188,961) census tracts. Overall, the cost of housing in the assessment area remained relatively stable and more affordable than nearby metropolitan areas.

### **BORROWER INCOME DATA**

The percentage of low- and moderate-income families is used as a proxy to estimate demand for home-mortgage lending in the assessment area. Of the total families in the assessment area at the 2000 Census, 14% were designated as low-income and 19% were moderate-income. Families living below poverty level represented 6% of families in the assessment area, compared to 8% of families in the state living below poverty level.

At the 2010 Census, 15% of families were designated as low-income and 18% were moderate-income. Families in the assessment area living below the poverty level remained at 6% of total families, compared to 9% of families living below poverty level in the state.

For purposes of evaluating the loan distribution to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available by HUD. The median family income for Bedford, Franklin, and Fulton Counties in 2012, as well as all nonmetropolitan counties in Pennsylvania, was \$55,600, compared to \$54,900 in 2011.

### **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. Based on the 2011 business data provided by Dun and Bradstreet, 6% of the assessment area's businesses were located in moderate-income tracts. The majority of businesses were located in middle-income tracts (72%) and 22% were in upper-income tracts. Business demographic data from 2011 also revealed that of the 12,443 businesses in the assessment area, 92% were small businesses (businesses with gross annual revenues of \$1 million or less).

In 2012, 5% of assessment area businesses were located in moderate-income census tracts. The majority of businesses continued to be located in middle-income (60%) and upper-income (35%) census tracts. Business demographic data from 2012 showed that of the 12,184 businesses in the assessment area, 92% were small businesses.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 7,888                     | 14.3         |
| Moderate-income  | 3                               | 7.5                                | 2,938                    | 5.3              | 429  | 14.6                 | 10,583                    | 19.2         |
| Middle-income  | 30                              | 75.0                               | 40,664                   | 73.7             | 2,566  | 6.3                  | 13,677                    | 24.8         |
| Upper-income   | 7                               | 17.5                               | 11,549                   | 20.9             | 436  | 3.8                  | 23,003                    | 41.7         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>40</b>                       | <b>100.0</b>                       | <b>55,151</b>            | <b>100.0</b>     | <b>3,431</b>                                       | <b>6.2</b>           | <b>55,151</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 5,431                           | 2,534                              | 4.4                      | 46.7             | 2,214  | 40.8                 | 683                       | 12.6         |
| Middle-income  | 62,892                          | 42,993                             | 74.4                     | 68.4             | 13,124   | 20.9                 | 6,775                     | 10.8         |
| Upper-income   | 15,799                          | 12,265                             | 21.2                     | 77.6             | 2,931  | 18.6                 | 603                       | 3.8          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>84,122</b>                   | <b>57,792</b>                      | <b>100.0</b>             | <b>68.7</b>      | <b>18,269</b>                                      | <b>21.7</b>          | <b>8,061</b>              | <b>9.6</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 770                             | 6.2                                | 704                      | 6.2              | 37   | 6.6                  | 29                        | 6.3          |
| Middle-income  | 8,965                           | 72.0                               | 8,210                    | 71.9             | 398  | 70.8                 | 357                       | 76.9         |
| Upper-income   | 2,708                           | 21.8                               | 2,503                    | 21.9             | 127  | 22.6                 | 78                        | 16.8         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>12,443</b>                   | <b>100.0</b>                       | <b>11,417</b>            | <b>100.0</b>     | <b>562</b>   | <b>100.0</b>         | <b>464</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>91.8</b>      |  |                      | <b>4.5</b>                | <b>3.7</b>   |

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 8,420                     | 14.5         |
| Moderate-income  | 3                               | 7.3                                | 2,715                    | 4.7              | 476  | 17.5                 | 10,445                    | 18.0         |
| Middle-income  | 26                              | 63.4                               | 34,814                   | 59.9             | 2,640  | 7.6                  | 13,714                    | 23.6         |
| Upper-income   | 12                              | 29.3                               | 20,615                   | 35.5             | 598  | 2.9                  | 25,565                    | 44.0         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>41</b>                       | <b>100.0</b>                       | <b>58,144</b>            | <b>100.0</b>     | <b>3,714</b>                                       | <b>6.4</b>           | <b>58,144</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 5,147                           | 2,170                              | 3.4                      | 42.2             | 2,172  | 42.2                 | 805                       | 15.6         |
| Middle-income  | 56,560                          | 37,278                             | 58.5                     | 65.9             | 12,566   | 22.2                 | 6,716                     | 11.9         |
| Upper-income   | 31,279                          | 24,251                             | 38.1                     | 77.5             | 5,614  | 17.9                 | 1,414                     | 4.5          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>92,986</b>                   | <b>63,699</b>                      | <b>100.0</b>             | <b>68.5</b>      | <b>20,352</b>                                      | <b>21.9</b>          | <b>8,935</b>              | <b>9.6</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 656                             | 5.4                                | 585                      | 5.2              | 39   | 7.2                  | 32                        | 7.1          |
| Middle-income  | 7,295                           | 59.9                               | 6,670                    | 59.6             | 330  | 60.8                 | 295                       | 65.3         |
| Upper-income   | 4,233                           | 34.7                               | 3,934                    | 35.2             | 174  | 32.0                 | 125                       | 27.7         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>12,184</b>                   | <b>100.0</b>                       | <b>11,189</b>            | <b>100.0</b>     | <b>543</b>   | <b>100.0</b>         | <b>452</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>91.8</b>      |  |                      | <b>4.5</b>                | <b>3.7</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is assessed as high satisfactory in the South Central Pennsylvania assessment area.

**Geographic Distribution of Lending**

The geographic distribution of loans reflects excellent dispersion throughout the assessment area, including moderate-income census tracts and middle-income tracts designated as rural and underserved.

**Home Mortgage Lending**

Susquehanna's geographic distribution of home-mortgage loans reflects excellent dispersion throughout the assessment area, taking into consideration assessment area demographic and economic characteristics.

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As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract. According to 2000 Census data, 74% of the assessment area’s owner-occupied housing stock was located in middle-income census tracts and 21% was in upper-income tracts. There was a limited amount of owner-occupied housing (4%) in the moderate-income tracts in the assessment area. In addition, 7% of housing units were located in the middle-income rural and underserved tracts. The assessment area had no low-income census tracts at the 2000 Census.

According to the 2010 Census data, only 3% of housing units were located in moderate-income tracts, while 59% were in middle-income tracts and 38% in upper-income tracts. In addition, 7% of housing units were located in the middle-income rural and underserved tracts in Fulton County. The assessment area had no low-income tracts at the 2010 Census.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and available aggregate lending levels in the South Central Pennsylvania assessment area.

| <b>SUSQUEHANNA BANK<br/>SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL</b> |   |   |                              |                            |                              |
|--|---|---|------------------------------|----------------------------|------------------------------|
| <b>Income Level</b>  | <b>% Owner-occupied Units (2000 Census)</b> | <b>% Owner-occupied Units (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 0   | 0   | 0                            | 0                          | 0                            |
| Moderate   | 4   | 3   | 9                            | 5                          | 4                            |
| Middle   | 75  | 59  | 63                           | 70                         | 59                           |
| Upper  | 21  | 38  | 28                           | 25                         | 37                           |
| Unknown  | 0   | 0   | 0                            | 0                          | 0                            |
| <b>Total</b>   | <b>100%</b>                                 | <b>100%</b>                                 | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

Over the evaluation period, Susquehanna originated 359 home-mortgage loans, aggregating \$61.7 million, in the South Central Pennsylvania assessment area.

**Lending in Low-Income Census Tracts**

The assessment area has no low-income census tracts, according to both the 2000 and 2010 Census boundaries.

**Lending in Moderate-Income Census Tracts**

**2000 Census**

Susquehanna’s HMDA lending level of 9% in moderate-income census tracts in 2011 was significantly above the applicable owner-occupied housing proxy of 4% and above the aggregate lending level of 5% of all loans. The bank also originated 3% of its home-mortgage loans in Fulton County, a rural underserved area for the purposes of CRA.



Categorized by loan product type, in 2011, Susquehanna originated 14% of its home-purchase loans in moderate-income census tracts, but no refinance or home-improvement loans in moderate-income tracts. The bank originated 25% of its loans for multifamily housing in moderate-income tracts. By comparison, Susquehanna's lending levels were above 2011 aggregate lending levels of 6% for home-purchase loans, but lower than the 3% for refinance loans and 8% for home-improvement loans in moderate-income tracts. Aggregate 2011 loan data also shows that 29% of all loans to finance multifamily housing were made in moderate-income tracts.

### **2010 Census**

Susquehanna's HMDA lending level decreased to 4% of loans in moderate-income census tracts in 2012. However, the bank's lending level was above the applicable owner-occupied housing proxy of 3%. Further, Susquehanna increased its lending in Fulton County in 2012, originating 19% of its home-mortgage loans in this rural underserved area. Aggregate 2012 HMDA data were not available for comparison at the time of the evaluation.

In 2012, Susquehanna made 6% of its home-purchase loans, 1% of its refinance loans, and 4% of home-improvement loans in moderate-income tracts. The bank also made 17% of its loans to finance multifamily housing in moderate-income tracts in 2012.

Overall, Susquehanna's HMDA lending in moderate-income census tracts in the assessment area is excellent in the context of the South Central Pennsylvania assessment area's demographics and the competition for banking services in the market from both large and small banking organizations. Further, the bank's lending in the Fulton County rural underserved tracts enhanced the bank's lending profile. Loans originated in these middle-income tracts help communities finance essential community needs.

### **Small Business Lending**

The geographic distribution of the bank's small business loans reflects good dispersion throughout the assessment area, in context of the assessment area's demographics and economic characteristics.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy to estimate demand for small business credit within such census tracts. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on available business data, in 2011, 6% of the assessment area's businesses were located in moderate-income tracts. The majority of businesses were located in middle-income (72%) and upper-income (22%) tracts. In 2012, 5% of businesses were located in moderate-income census tracts; the majority of businesses continued to be located in middle-income (60%) and upper-income (35%) tracts.

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During the period evaluated, Susquehanna reported 374 small business loans, aggregating \$47.7 million. Additionally, Susquehanna originated 26 small business loans in Fulton County (a rural underserved area for the purposes of CRA) aggregating \$4.1 million. The table below shows a comparison of Susquehanna’s lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

| SUSQUEHANNA BANK<br>SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS |                                   |                                   |                       |                     |                       |
|---|-----------------------------------|-----------------------------------|-----------------------|---------------------|-----------------------|
| Census Tract Type   | % Businesses by Tract Type (2011) | % Businesses by Tract Type (2012) | Aggregate Comparison  |                     |                       |
|   |                                   |                                   | 2011                  |                     | 2012*                 |
|   |                                   |                                   | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 0                                 | 0                                 | 0                     | 0                   | 0                     |
| Moderate  | 6                                 | 5                                 | 4                     | 5                   | 4                     |
| Middle  | 72                                | 60                                | 69                    | 68                  | 48                    |
| Upper   | 22                                | 35                                | 27                    | 24                  | 48                    |
| Unknown   | 0                                 | 0                                 | 0                     | 3                   | 0                     |
| <b>Total</b>  | <b>100%</b>                       | <b>100%</b>                       | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

There were no low-income census tracts in the assessment area using either the 2000 or the 2010 Census boundaries.

### **Lending in Moderate-Income Census Tracts**

In 2011, Susquehanna originated 4% of its small business loans in the assessment area’s moderate-income census tracts, which was below both the applicable proxy of 6% of businesses and the 2011 aggregate lending level of 5% in moderate-income tracts. Also in 2011, 2% of the bank’s small business loans were originated in Fulton County’s middle-income census tracts designated as rural and underserved. These loans help finance small businesses credit needs.

In 2012, the bank’s lending level remained at 4% in moderate-income tracts, which was below the applicable proxy of 5% of businesses. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison. Also in 2012, 11% of the bank’s small business loans were originated in Fulton County’s middle-income census tracts designated as rural and underserved.

Overall, the geographic distribution of the bank’s small business loans reflects good dispersion throughout the assessment area, considering the highly competitive market for small business loans.

**Distribution of Loans by Borrower Income Level and Revenue Size of the Business**

Given the South Central Pennsylvania assessment area’s demographic and economic characteristics, the distribution of Susquehanna’s borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes.

**Home Mortgage Lending**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, the 2000 Census data show that 14% of assessment area families were low-income and 19% were moderate-income. At the 2010 Census, 15% of families were low-income and 18% were moderate-income. Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area.

During the evaluation period, Susquehanna reported 359 home-mortgage loans, aggregating \$62 million, in the South Central Pennsylvania assessment area. The following table compares Susquehanna’s home-mortgage lending to available aggregate lending levels, using median family income as a proxy for loan demand.

| <b>SUSQUEHANNA BANK<br/>SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br/>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL</b> |   |   |                              |                            |                              |
|--|---|---|------------------------------|----------------------------|------------------------------|
| <b>Income Level</b>  | <b>% Families by Income Level (2000 Census)</b> | <b>% Families by Income Level (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 14  | 14  | 3                            | 5                          | 6                            |
| Moderate   | 19  | 18  | 15                           | 17                         | 21                           |
| Middle   | 25  | 24  | 23                           | 25                         | 21                           |
| Upper  | 42  | 44  | 45                           | 39                         | 41                           |
| Unknown  | 0   | 0   | 14                           | 15                         | 11                           |
| <b>Total</b>   | <b>100%</b>                                     | <b>100%</b>                                     | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

Susquehanna’s distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, is good in context of the assessment area demographics and economic characteristics.

## **Lending to Low-Income Borrowers**

### **2000 Census Data**

In 2011, 3% of Susquehanna's loans in the assessment area were to low-income borrowers. The bank's lending level was below both the applicable proxy of 14% of families and the aggregate lending level of 5% of all loans.

Of the loans originated to low-income borrowers in 2011, 4% were home-purchase loans and 2% were refinance loans. Susquehanna made no home-improvement loans to low-income borrowers in the assessment area in 2011. Aggregate lending levels to low-income borrowers in 2011 show 6% of all loans were home-purchase loans, 4% were refinance loans, and 14% were home-improvement loans.

### **2010 Census Data**

In 2012, the bank's lending level to low-income borrowers increased to 6% of loans, and the number of loans made to low-income borrowers more than tripled when compared to 2011 lending. However, the bank's lending level remained below the applicable proxy of 14% of low-income families. Of the loans originated to low-income borrowers, 7% were home-purchase loans, 4% were refinance loans, and 12% were home-improvement loans. Aggregate 2012 HMDA data were not available at the time of the evaluation for comparison.

In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration that the home mortgage credit needs of such individuals and families can be a challenge to address through conventional loan products, presenting a significant obstacle to homeownership. As noted previously, 34% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house.

## **Lending to Moderate-Income Borrowers**

### **2000 Census Data**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, Susquehanna's overall level of HMDA lending to moderate-income borrowers was good. In 2011, the bank's lending level of 15% was below both the proxy (19%) and the aggregate 2011 HMDA lending level of 17%.

An analysis of Susquehanna's 2011 lending to moderate-income borrowers, by product type, shows the bank originated 17% of its home-purchase loans and 14% of its refinance loans to moderate-income borrowers. Susquehanna had no home-improvement loans to moderate-income borrowers in the assessment area in 2011. For home-purchase and refinance loans, the bank's 2011 lending levels were below the 2011 aggregate lending level of 21% for home-purchase loans, but higher than the 13% for refinance loans. The aggregate lending level was 22% for home-improvement loans.

## **2010 Census Data**

In 2012, the bank made 21% of its HMDA loans to moderate-income borrowers, exceeding the proxy of 18% of moderate-income families. An analysis of Susquehanna's 2012 HMDA lending to moderate-income borrowers, by product type, shows the bank made 27% of its home-purchase loans, 15% of its refinance loans, and 19% of its home-improvement loans to moderate-income borrowers. Aggregate 2012 HMDA loan data were not available for review or comparison at the time of the evaluation.

Susquehanna enhanced its home-mortgage lending profile among low- and moderate-income borrowers in the assessment area using innovative or flexible lending programs which address the credit needs of low- and moderate-income individuals, families, and households.

The bank continues to offer the proprietary residential mortgage product *Home Start*, developed for low- and moderate-income borrowers. The product, which offers flexible underwriting standards and below-market interest rates, with no private mortgage insurance requirement, provides low- and moderate-income borrowers the opportunity to purchase a home. During the evaluation period, Susquehanna originated 785 loans under the program, aggregating \$100.2 million. In the South Central Pennsylvania assessment area, Susquehanna originated 9 loans, aggregating \$836 thousand, under the program.

In conjunction with the Farmers Home Administration Rural Housing loan program, which offers loans to low- and moderate-income individuals or households to purchase homes in rural areas, Susquehanna originated 148 loans, aggregating \$20.9 million, under the program. In the South Central Pennsylvania assessment area, the bank originated 23 loans, aggregating \$3 million, over the evaluation period.

## **Lending to Businesses of Different Sizes**

An analysis of Susquehanna's distribution of loans to businesses reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the South Central Pennsylvania assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to 2011 business data, 12,443 businesses were operating in the assessment area, with 92% designated as small businesses or reporting revenues of less than \$1 million. Likewise, in 2012, 12,184 businesses were in the assessment area, with 92% designated as small businesses.

During the period evaluated, Susquehanna reported 374 small business loans, aggregating \$47.7 million. In 2011, the bank originated 48% of its small business loans to small businesses. The bank's 2011 lending level to such businesses exceeded the 2011 aggregate lending level of 43%. In 2012, Susquehanna originated 41% of its loans to small businesses. The 2012 HMDA loan data were not available for review or comparison at the time of the evaluation.

Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. For 2011, 72% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less. In 2012, this figure was 69%. Aggregate data for 2011 show that 91% of all small business loans made in the assessment area during that year were originated in amounts of \$100 thousand or less.

In considering the aggregate data, it should be kept in mind that the data included loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. U.S. Bank NA and American Express Bank, FSB accounted for 27% of all small business loans reported in the assessment area in 2011.

Susquehanna was very effective at lending to small businesses in this assessment area, given the challenges of lending in an underserved area and the high level of competition for small business lending in this market.

### **Community Development Lending**

Susquehanna made an adequate level of community development loans in the South Central Pennsylvania assessment area. During the period evaluated, the bank originated two community development loans in Franklin County, aggregating \$2.2 million. One loan, totaling \$2.1 million, supported economic development in the Waynesboro Redevelopment Zone. A second loan for \$50 thousand supported affordable housing in the County.

### **Responsiveness to Credit Needs**

Susquehanna exhibits a good record of serving the credit needs of the most economically disadvantaged areas of the assessment area, low-income individuals, and very small businesses, consistent with safe and sound banking practices. The bank achieved this record primarily through its small business lending, home-mortgage lending and the use of innovative and flexible lending practices in order to serve assessment area credit needs.

### **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals as well as the innovativeness and complexity of such investments. Qualified investments made before the previous evaluation, which are still outstanding, are considered under this test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is low satisfactory in the South Central Pennsylvania assessment area. Of Susquehanna's total current investments, 0.5% is attributed to this assessment area.

### **Volume of Investment and Grant Activity**

The bank had a significant level of qualified community development investments and grants in the South Central Pennsylvania assessment area. Investments, aggregating \$1.7 million, primarily (98%) supported affordable housing. The remaining 2% of investments supported community development services and economic development.

The bank has \$1.4 million in low-income housing tax credit investments in the assessment area. In addition, the bank holds a \$24 thousand share in the PHFA Single Family Mortgage Revenue Bond which finances homes for low- and moderate-income families in Pennsylvania. The bank also made grants and contributions to various organizations that routinely provide affordable housing, economic development, and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$20 thousand in qualified grants and donations in the South Central Pennsylvania assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. The largest portion of the bank's investments supports affordable housing, a demonstrated need in this assessment area. South Central Pennsylvania's recovery from the recent economic downturn was weakened by the declining participation in the labor force which studies show is low-skilled and ill-suited for high-tech industries. This weakening in the area's recovery could limit homeownership opportunities for low- and moderate-income families.

### **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank's performance under the service test is outstanding in the South Central Pennsylvania assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are accessible to essentially all portions of the assessment area. In 2011, Susquehanna operated 14 branches in the assessment area with one of the branches, or 7%, located in a moderate-income census tract. By comparison, 6% of the assessment area population resided in moderate-income tracts. The bank also operated two branches in middle-income tracts in Fulton County, a rural underserved community.

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In 2012, Susquehanna operated 14 branches in the assessment area, with one of the branches, or 7%, located in a moderate-income census tract. By comparison, 5% of the assessment area population resides in the moderate-income tracts. A majority of the bank’s branches are located in middle-income tracts, two of which are adjacent to moderate-income tracts, making them accessible to customers in moderate-income areas. In addition, the bank continued to operate two branches in underserved middle-income tracts in Fulton County.

The following table details the locations of the bank’s branches and the population served.

| <b>SUSQUEHANNA BANK<br/>RETAIL BRANCH DISTRIBUTION<br/>SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA</b> |                           |                         |                   |                           |
|---|---------------------------|-------------------------|-------------------|---------------------------|
| <b>2011 (Demographics based on 2000 Census)</b>   |                           |                         |                   |                           |
| <b>Census Tract Type</b>  | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income  | 0                         | 0                       | 0                 | 0                         |
| Moderate-income   | 1                         | 7                       | 11,298            | 6                         |
| Middle-income   | 11                        | 79                      | 142,350           | 74                        |
| Upper-income  | 2                         | 14                      | 39,910            | 21                        |
| Unknown income  | NA                        | N/A                     | 0                 | 0                         |
| <b>Totals</b>   | <b>14</b>                 | <b>100%</b>             | <b>193,558</b>    | <b>100%</b>               |
| <b>2012 (Demographics based on 2010 Census)</b>   |                           |                         |                   |                           |
| <b>Census Tract Type</b>  | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income  | 0                         | 0                       | 0                 | 0                         |
| Moderate-income   | 1                         | 7                       | 11,548            | 5                         |
| Middle-income   | 10                        | 71                      | 127,216           | 59                        |
| Upper-income  | 3                         | 21                      | 75,461            | 35                        |
| Unknown income  | NA                        | N/A                     | 0                 | 0                         |
| <b>Totals</b>   | <b>14</b>                 | <b>100%</b>             | <b>214,225</b>    | <b>100%</b>               |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.



### **Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking*, which features unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers three dollars per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

### **Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income census tracts or to low- and moderate-income individuals.

During the evaluation period, Susquehanna acquired nine branches in the assessment area as a result of its acquisition of Graystone Tower Bank. Four of the branches were immediately closed as they were in close proximity to existing Susquehanna branches. Five branches remain open (four middle-income branches and one upper-income branch).

| <b>Action</b> | <b>Census Tract</b> | <b>Street</b>              | <b>City</b>    | <b>State</b> |
|---------------|---------------------|----------------------------|----------------|--------------|
| Purchased     | Middle-income       | 101 Lincoln Way West       | McConnellsburg | PA           |
| Purchased     | Middle-income       | 7357 Anthony Highway       | Waynesboro     | PA           |
| Purchased     | Middle-income       | 316 North Main Street      | Mercersburg    | PA           |
| Purchased     | Middle- Income      | 4136 Lincoln Way West      | Chambersburg   | PA           |
| Purchased     | Upper- Income       | 40 Center Square, PO Box 8 | Greencastle    | PA           |
| Closed        | Middle- Income      | 800 Norland Avenue         | Chambersburg   | PA           |
| Closed        | Middle- Income      | 8264 Great Cove Road       | Needmore       | PA           |
| Closed        | Middle- Income      | 634 E Main Street          | Waynesboro     | PA           |
| Closed        | Upper- Income       | 35 North Carlisle Street   | Greencastle    | PA           |

### **Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

**Community Development Services**

Susquehanna is a leader in providing community development services in the South Central Pennsylvania assessment area. In 2011, the bank had four employees sitting on boards or serving in other leadership capacities of six community development organizations. In 2012, there were four Susquehanna employees serving six organizations. Some notable organizations are:

- Downtown Bedford, Inc. promotes the economic revitalization of Bedford
- Chambersburg Area Development Corp. works to advance the commercial and industrial interests of the Chambersburg area.
- Community Development Corporation, a multibank lender provides gap financing for development projects.
- New Visions supports affordable housing
- Valley Terrace Housing Board provides affordable housing services to low- and moderate-income individuals.
- Greencastle Antrim Area Development Corp. promotes the economic development of the Greencastle/Antrim area.  
Mainstreet Waynesboro, a community development organization, focuses on the revitalization of downtown Waynesboro.

The bank also partnered with the Franklin County Housing Authority to provide financial and home-owner education classes to low- and moderate-income individuals. In addition, the bank provided financial literacy classes to low- and moderate-income individuals at the Marion Volunteer Fire Company in Marion, Franklin County, PA.

**HARRISBURG ASSESSMENT AREA**

Susquehanna's Harrisburg assessment area is comprised of Dauphin and Cumberland Counties in the Harrisburg-Carlisle MSA. According to the 2000 Census, the assessment area had 102 census tracts, five of which were low-income and 25 of which were moderate-income. All five low-income census tracts were located in the city of Harrisburg and 4% of the assessment area's population resided within those low-income tracts. Of the 25 moderate-income census tracts, 16 tracts were in Dauphin County (nine in the city of Harrisburg) and nine tracts were in Cumberland County. Eighteen percent of the assessment area's population resided within the moderate-income tracts.

As of the 2010 Census, the assessment area consisted of 114 census tracts, of which seven were designated as low-income and 28 as moderate-income. All seven low-income census tracts were located in the city of Harrisburg and 5% of the assessment area's population resided within the low-income tracts. Of the 28 moderate-income census tracts, 18 tracts were in Dauphin County (eight in the city of Harrisburg) and ten moderate-income tracts were in Cumberland County. Nineteen percent of the assessment area's population resided within the moderate-income tracts.

Susquehanna's performance in the assessment area was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits as of June 30, 2012, 22 depository institutions operated in Dauphin and Cumberland Counties in the Harrisburg assessment area. These 22 institutions maintained a total of 188 branches, holding \$10.9 billion in deposits. Susquehanna operated 18 of these branches, with \$697 million in deposits. The bank ranks sixth in the Harrisburg assessment area, controlling 6% of the retail deposit market. PNC Bank, NA ranked first with 15% of the market. Of Susquehanna's total deposits, 6% came from its Harrisburg assessment area.

Susquehanna's HMDA loans were compared to the aggregate of all lenders in the Harrisburg assessment area reporting real estate loans pursuant to HMDA. The assessment area has a total of 343 HMDA reporters. Susquehanna was the 26<sup>th</sup> largest HMDA loan originator in the Harrisburg assessment area with 1% of all such loan originations and purchases. Wells Fargo Bank, NA, was ranked first with 15% of the market. Orrstown Bank, headquartered in Shippensburg, PA, was the highest ranked local bank in the assessment area with 2% of the market.

Regarding small business lenders operating in the market, the Harrisburg assessment area had a total of 65 small business loan reporters in 2011, originating 6,423 small business loans. Among these lenders, Susquehanna ranked 11<sup>th</sup> with 3% of the market. American Express Bank, FSB, ranked first with 20% of the market. Since business credit cards are included in CRA small business reporting, national lenders such as American Express Bank, FSB; U.S. Bank NA; Chase Bank USA, NA; Citibank, NA; and Capital One Bank, NA are a strong presence in the market. These six banks control 52% of the small business loan market.

## **ECONOMIC CHARACTERISTICS**

The Harrisburg economy has shown improvement over the past year, but state and local fiscal problems prevented a stronger recovery. Government employment is no longer falling but is the lowest since the mid-1990s. Further, the city of Harrisburg's financial health remained a weight on the economy. The city is \$340 million in debt, mostly because of the trash incinerator. The financial situation of its school district is also weak, and a chief recovery officer was appointed by the state. The healthcare and social assistance sector continued to stimulate the economy; this sector accounts for 16% of employment in the Harrisburg assessment area.

Continuing strengths in the local economy include strong transportation linkages, regionally strong population growth, and a diverse manufacturing base. The Harrisburg airport has succeeded in attracting low-cost airlines, and state research grants have boosted hiring at local colleges and universities. Weaknesses include concerns over Harrisburg's and the commonwealth's fiscal health.

The largest employers in the Harrisburg-Carlisle MSA are Giant Food Stores, Penn State Hershey Medical Center, Hershey Entertainment & Resorts, The Hershey Company, Wal-Mart Stores, Inc., JFC Staffing Associates, Highmark Blue Cross Blue Shield, and Pinnacle Healthy Systems. Susquehanna's major banking competitors in the assessment area include PNC Bank, NA; Manufacturers and Traders Trust Company Bank; Wells Fargo NA; Fulton Bank NA; and Citizens Bank of Pennsylvania.

The Harrisburg-Carlisle MSA unemployment rates are presented in the following table:

| <b>Locations</b>        | <b>December 2011</b> | <b>December 2012</b> |
|-------------------------|----------------------|----------------------|
| Dauphin County          | 7.2                  | 7.6                  |
| City of Harrisburg      | 10.2                 | 10.6                 |
| Cumberland County       | 6.0                  | 6.3                  |
| Harrisburg-Carlisle MSA | 6.7                  | 7.0                  |
| Pennsylvania            | 7.4                  | 7.9                  |

To ascertain assessment area credit needs, information was obtained from interviews and contacts with bankers, community organizations, and local government officials. These community leaders indicated that the credit needs in their community included affordable housing for seniors, first-time homebuyer programs offered in English and Spanish, and down payment and closing cost assistance for low- and moderate-income homebuyers.

## **HOUSING**

### **2000 Census Data**

The percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such census tracts. In the Harrisburg assessment area, 2% of owner-occupied units were located in low-income census tracts and 14% were in moderate-income tracts. The majority of owner-occupied housing units were located in middle-income (59%) and upper-income (25%) census tracts.

According to the 2000 Census, the bank's Harrisburg assessment area contains 198,084 housing units. Single-family units comprise 72% of the housing units, while two-to-four family units comprise 9%, multifamily units 13%, and mobile homes 6%. The median age of the housing stock is 36 years, lower than the median age for housing stock in Pennsylvania at 43 years. Median rent in the assessment area is \$565, with 31% of renters paying more than 30% of their income for housing. Statewide median rent is \$531, with 35% of renters paying more than 30% of their income for housing.

According to the 2000 Census, the median housing value in the assessment area was \$108,453. A significant disparity existed between the median housing values in the upper-income (\$129,560) and middle-income census tracts (\$108,212) and corresponding values in moderate-income (\$64,381) and low-income (\$43,323) tracts. Of the total owner-occupied housing units in the assessment area, 43% were valued at less than \$100 thousand. In Pennsylvania, 54% of housing units were valued at less than \$100 thousand. The overall homeownership rate in the assessment area was 64%.

### **2010 Census Data**

According to the 2010 Census, 2% of owner-occupied units were located in low-income census tracts and 14% were in moderate-income tracts in the Harrisburg assessment area. The majority of owner-occupied housing units remained in middle-income (53%) and upper-income (31%) census tracts.

At the 2010 Census, the assessment area contained 217,138 housing units. Single-family units comprised 74% of the housing units, while two-to-four family units comprised 9%, multifamily units 14%, and mobile homes 4%. The median age of the housing stock was 43 years, lower than the median age for housing stock in Pennsylvania at 50 years. Median rent in the assessment area was \$762, compared to a statewide median rent was \$739.

The median housing value in the assessment area was \$163,717. A significant disparity existed between the median housing values in the upper-income (\$217,718) and middle-income census tracts (\$158,548) and corresponding values in moderate-income (\$109,986) and low-income (\$67,788) tracts. Moody's estimates that the average existing home price in the Harrisburg assessment area decreased to \$139,700 in 2012, compared to \$141,300 in 2011. According to the 2010 Census data, the overall homeownership rate in the assessment area was 64%.

### **BORROWER INCOME DATA**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available by HUD. According to 2000 Census data, the median family income for the assessment area was \$53,437, slightly higher than the state median income level of \$49,184. From an income distribution standpoint, 17% of the families in the assessment area were designated as low-income and 19% were moderate-income.

According to 2010 Census data, the median family income for the assessment area was \$70,054, higher than the state median income level of \$63,364. From an income distribution standpoint, 19% of the families in the assessment area were designated as low-income and 18% were moderate-income.

In 2011, the adjusted median family income for the Harrisburg assessment area, as reported by HUD, increased to \$72,500. In 2012, the adjusted median family income figure was \$73,500.

#### **DEMOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. Based on available Dun and Bradstreet small business data for 2011, 2% of the assessment area's businesses were located in low-income census tracts and 15% were in moderate-income tracts. The substantial majority of businesses were located in middle- (60%) and upper-income (23%) tracts.

In 2012 the available business data show that 3% of the assessment area's businesses were located in low-income census tracts and 23% in moderate-income tracts. The majority of businesses were located in middle- (46%) and upper-income (28%) tracts.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>HARRISBURG ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 5                               | 4.9                                | 4,145                    | 3.4              | 1,558  | 37.6                 | 21,398                    | 17.4         |
| Moderate-income  | 25                              | 24.5                               | 18,771                   | 15.3             | 2,160  | 11.5                 | 23,128                    | 18.8         |
| Middle-income  | 53                              | 52.0                               | 70,725                   | 57.6             | 2,788  | 3.9                  | 29,217                    | 23.8         |
| Upper-income   | 19                              | 18.6                               | 29,113                   | 23.7             | 621  | 2.1                  | 49,011                    | 39.9         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>102</b>                      | <b>100.0</b>                       | <b>122,754</b>           | <b>100.0</b>     | <b>7,127</b>                                       | <b>5.8</b>           | <b>122,754</b>            | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 7,671                           | 2,193                              | 1.7                      | 28.6             | 4,245  | 55.3                 | 1,233                     | 16.1         |
| Moderate-income  | 37,591                          | 17,598                             | 13.8                     | 46.8             | 15,973   | 42.5                 | 4,020                     | 10.7         |
| Middle-income  | 111,031                         | 75,502                             | 59.1                     | 68.0             | 29,935   | 27.0                 | 5,594                     | 5.0          |
| Upper-income   | 41,791                          | 32,458                             | 25.4                     | 77.7             | 7,781  | 18.6                 | 1,552                     | 3.7          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>198,084</b>                  | <b>127,751</b>                     | <b>100.0</b>             | <b>64.5</b>      | <b>57,934</b>                                      | <b>29.2</b>          | <b>12,399</b>             | <b>6.3</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 665                             | 2.3                                | 573                      | 2.2              | 35   | 1.8                  | 57                        | 4.7          |
| Moderate-income  | 4,428                           | 15.0                               | 3,858                    | 14.6             | 322  | 16.6                 | 248                       | 20.5         |
| Middle-income  | 17,742                          | 60.1                               | 15,843                   | 60.1             | 1,189  | 61.3                 | 710                       | 58.6         |
| Upper-income   | 6,691                           | 22.7                               | 6,100                    | 23.1             | 395  | 20.4                 | 196                       | 16.2         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>29,526</b>                   | <b>100.0</b>                       | <b>26,374</b>            | <b>100.0</b>     | <b>1,941</b>                                       | <b>100.0</b>         | <b>1,211</b>              | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>89.3</b>      |  |                      | <b>6.6</b>                | <b>4.1</b>   |

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>HARRISBURG ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 7                               | 6.1                                | 5,638                    | 4.4              | 2,179  | 38.6                 | 24,094                    | 18.9         |
| Moderate-income  | 28                              | 24.6                               | 20,590                   | 16.1             | 2,484  | 12.1                 | 22,989                    | 18.0         |
| Middle-income  | 52                              | 45.6                               | 64,624                   | 50.7             | 2,917  | 4.5                  | 28,956                    | 22.7         |
| Upper-income   | 26                              | 22.8                               | 36,661                   | 28.8             | 563  | 1.5                  | 51,474                    | 40.4         |
| Unknown income   | 1                               | 0.9                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>114</b>                      | <b>100.0</b>                       | <b>127,513</b>           | <b>100.0</b>     | <b>8,143</b>                                       | <b>6.4</b>           | <b>127,513</b>            | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 11,862                          | 3,416                              | 2.5                      | 28.8             | 5,833  | 49.2                 | 2,613                     | 22.0         |
| Moderate-income  | 44,765                          | 19,534                             | 14.1                     | 43.6             | 20,324   | 45.4                 | 4,907                     | 11.0         |
| Middle-income  | 106,779                         | 73,056                             | 52.8                     | 68.4             | 28,180   | 26.4                 | 5,543                     | 5.2          |
| Upper-income   | 53,732                          | 42,471                             | 30.7                     | 79.0             | 8,733  | 16.3                 | 2,528                     | 4.7          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>217,138</b>                  | <b>138,477</b>                     | <b>100.0</b>             | <b>63.8</b>      | <b>63,070</b>                                      | <b>29.0</b>          | <b>15,591</b>             | <b>7.2</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 912                             | 3.1                                | 783                      | 3.0              | 44   | 2.3                  | 85                        | 6.3          |
| Moderate-income  | 6,872                           | 23.1                               | 5,911                    | 22.3             | 520  | 27.1                 | 441                       | 32.6         |
| Middle-income  | 13,773                          | 46.3                               | 12,326                   | 46.6             | 866  | 45.1                 | 581                       | 42.9         |
| Upper-income   | 8,189                           | 27.5                               | 7,452                    | 28.1             | 490  | 25.5                 | 247                       | 18.2         |
| Unknown income   | 7                               | 0.0                                | 6                        | 0.0              | 1  | 0.1                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>29,753</b>                   | <b>100.0</b>                       | <b>26,478</b>            | <b>100.0</b>     | <b>1,921</b>                                       | <b>100.0</b>         | <b>1,354</b>              | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>89.0</b>      |  |                      | <b>6.5</b>                | <b>4.6</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TEST**

**LENDING TEST**

Performance under the lending test is assessed as high satisfactory in the Harrisburg assessment area.

**Geographic Distribution of Lending**

An analysis of the geographic distribution of loans in the Harrisburg assessment area reflects good penetration throughout the assessment area, including low- and moderate-income census tracts.

**Home Mortgage Lending**

Susquehanna's geographic distribution of home-mortgage loans reflects good dispersion throughout its Harrisburg assessment area, taking into consideration the assessment area's demographic and economic characteristics.



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Over the evaluation period, Susquehanna originated 596 home-mortgage loans, aggregating \$132 million, in the assessment area. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2000 Census data, 59% of the assessment area’s owner-occupied housing stock was located in middle-income census tracts and 25% was in upper-income tracts. The assessment area’s low-income tracts contained only 2% of owner-occupied housing and moderate-income tracts contained 14%.

At the 2010 Census, 53% of owner-occupied housing stock was located in middle-income census tracts and 31% was in upper-income tracts. The assessment area’s low-income tracts contained only 2% of owner-occupied housing and the moderate-income tracts contained 14%.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and available aggregate lending levels in the Harrisburg assessment area.

| SUSQUEHANNA BANK<br>HARRISBURG ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL |                                      |                                      |                       |                     |                       |
|---|--------------------------------------|--------------------------------------|-----------------------|---------------------|-----------------------|
| Income Level  | % Owner-occupied units (2000 Census) | % Owner-occupied Units (2010 Census) | Aggregate Comparison  |                     |                       |
|   |                                      |                                      | 2011                  |                     | 2012*                 |
|   |                                      |                                      | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 2                                    | 2                                    | 0                     | 1                   | 0                     |
| Moderate  | 14                                   | 14                                   | 15                    | 10                  | 15                    |
| Middle  | 59                                   | 53                                   | 68                    | 56                  | 53                    |
| Upper   | 25                                   | 31                                   | 17                    | 33                  | 32                    |
| Unknown   | 0                                    | 0                                    | 0                     | 0                   | 0                     |
| <b>Total</b>  | <b>100%</b>                          | <b>100%</b>                          | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

#### **2000 Census Data**

In 2011, Susquehanna had no loans in low-income census tracts, which was below both the applicable owner-occupied housing proxy of 2% and the aggregate 2011 HMDA lending level of 1% of loans in low-income census tracts.

#### **2010 Census Data**

In 2012, Susquehanna also had no loans in low-income census tracts in the assessment area, which was below the applicable housing proxy of 2%. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

Based on aggregate lending levels and the limited availability of housing, lending opportunities in the assessment area's low-income census tracts, during 2011 and 2012, appear limited. Although the bank did not lend in the assessment area's low-income census tracts, aggregate lenders made less than 1% of home-mortgage loans in low-income tracts.

### **Lending in Moderate-Income Census Tracts**

#### **2000 Census Data**

In 2011, Susquehanna's HMDA lending level of 15% in moderate-income census tracts exceeded both the applicable housing proxy of 14% and the aggregate 2011 HMDA lending level of 10%.

Categorized by loan product type, in 2011, Susquehanna originated 57% of its loans as home-purchase loans, 32% as refinance loans, and 7% as home-improvement loans. Also, 4% of the bank's loans were for multifamily housing. The 2011 aggregate lending levels show 32% of all loans in the assessment area were home-purchase loans, 61% were refinance loans, and 7% were home-improvement loans. Further, less than 1% of all loans were for multifamily housing. Susquehanna was better than the aggregate at making home-purchase loans available in the assessment area. Of these loans, 15% were in moderate-income census tracts, compared to 10% of aggregate loans.

#### **2010 Census Data**

In 2012, Susquehanna's HMDA lending level in moderate-income tracts stayed at 15%, which was slightly higher than the applicable proxy of 14%. Aggregate 2012 data were not available at the time of the evaluation for review or comparison.

In 2012, the bank originated 63% of its loans as home-purchase loans, 29% as refinance loans, and 5% as home-improvement loans. Of the total home-purchase loans, 16% were in moderate-income census tracts. Susquehanna also originated 3% of its loans for multifamily housing. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

Overall, Susquehanna's HMDA lending in moderate-income census tracts was excellent, despite limited housing in such tracts, as well as significant competition for loans from numerous banking organizations and mortgage companies within the Harrisburg assessment area. In 2011, 343 mortgage lenders reported HMDA loans in the assessment area.

### **Small Business Lending**

The geographic distribution of Susquehanna's small business loans reflects adequate dispersion throughout the Harrisburg assessment area, in the context of the assessment area's economic characteristics during the evaluation period.

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During the evaluation period, Susquehanna originated 357 small business loans in the assessment area, aggregating \$60 million. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract. Business demographics gleaned from available 2011 small business data revealed a total of 29,526 businesses located within the Harrisburg assessment area. Of those businesses, 2% were located in low-income census tracts and 15% were in moderate-income tracts. Likewise, 2012 business demographics show a total of 29,573 businesses in the assessment area, with 3% located in low-income census tracts and 23% in moderate-income tracts.

The following table shows a comparison of Susquehanna’s small business lending levels by census tract type to the respective loan demand proxies of each tract type.

| <b>SUSQUEHANNA BANK<br/>HARRISBURG ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS</b> |  |  |                              |                            |                              |
|--|--|--|------------------------------|----------------------------|------------------------------|
| <b>Census Tract Type</b>   | <b>% Businesses by Tract Type (2011)</b> | <b>% Businesses by Tract Type (2012)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |  |  | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |  |  | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 2  | 3  | 0                            | 1                          | 1                            |
| Moderate   | 15                                       | 23                                       | 5                            | 13                         | 18                           |
| Middle   | 60                                       | 46                                       | 58                           | 59                         | 50                           |
| Upper  | 23                                       | 28                                       | 37                           | 25                         | 31                           |
| Unknown  | 0  | 0  | 0                            | 2                          | 0                            |
| <b>Total</b>   | <b>100%</b>                              | <b>100%</b>                              | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

**Lending in Low-Income Census Tracts**

In 2011, Susquehanna made no small business loans in low-income census tracts, compared to the aggregate lending level of 1% of loans in low-income census tracts. Both bank lending and aggregate lending levels were below the applicable business proxy of 2%.

In 2012, Susquehanna made 1% of its small business loans in low-income tracts in the assessment area. Bank lending remained below the applicable business proxy of 3%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for comparison.

Based on aggregate lending levels and the limited number of businesses operating in the low-income census tracts, lending opportunities in the assessment area’s low-income census tracts, during 2011 and 2012, appear limited. Due to such limited lending opportunities, Susquehanna’s lending in low-income census tracts was considered adequate over the evaluation period.

### **Lending in Moderate-Income Census Tracts**

Susquehanna's small business lending was stronger in the assessment area's moderate-income census tracts, when compared to its lending in low-income tracts. In 2011, 5% of the bank's loans were made in moderate-income tracts, although bank lending was well below both the applicable business proxy of 15% and the 2011 aggregate lending level of 13%.

In 2012, the bank's lending level in moderate-income tracts increased significantly; 18% of bank loans were made in moderate-income tracts. Despite the increase, lending remained below the applicable 2012 business proxy of 23%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review and comparison.

The geographic distribution of Susquehanna's small business loans reflects adequate dispersion throughout the Harrisburg assessment area, mainly due to the continued upward trend in the number of small business loans made by the bank in low- and moderate-income tracts when 2012 lending levels are compared to both 2011 lending levels and bank lending at the previous CRA evaluation period.

### **Small Farm Lending**

For purposes of CRA, a small farm loan is a commercial loan with an origination amount of \$500 thousand or less, and is either secured by farmland, or is classified as a loan to finance agricultural production and other loans to farmers. Business demographics show a total of 681 farms located in the assessment area. Of these farms, 9% were located in low- or moderate-income census tracts.

During the evaluation period, Susquehanna originated 30 small farm loans, aggregating \$2.6 million, in the assessment area. Of these loans, 3% financed farms in low- or moderate-income census tracts. The 2011 aggregate small farm loan data show that just 2% of all small farm loans were made in low- or moderate-income census tracts.

Based on aggregate lending levels and the limited number of farms operating in these tracts, lending opportunities during 2011 and 2012 appear limited. Due to the limited lending opportunities, Susquehanna's lending in low- and moderate-income census tracts, over the evaluation period, was considered good.

### **Distribution of Loans by Borrower Income Level and Revenue Size of Business**

Given the Harrisburg assessment area's demographic and economic characteristics, the distribution of Susquehanna's borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income persons, and businesses of different sizes, including small businesses.

### **Lending to Borrowers of Different Income Levels**

Susquehanna's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, reflects excellent penetration in the assessment area.

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For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, according to 2000 Census data, 17% of assessment area families were low-income and 19% were moderate-income. Likewise, the 2010 Census data show that 19% of families were low-income and 18% were moderate-income.

The following table compares Susquehanna’s lending to aggregate lending levels, using median family income as a proxy for loan demand.

| <b>SUSQUEHANNA BANK<br/>HARRISBURG ASSESSMENT AREA<br/>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL</b> |   |   |                              |                            |                              |
|--|---|---|------------------------------|----------------------------|------------------------------|
| <b>Income Level</b>  | <b>% Families by Income Level (2000 Census)</b> | <b>% Families by Income Level (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|  |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|  |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low  | 17  | 19  | 16                           | 9                          | 16                           |
| Moderate   | 19  | 18  | 28                           | 20                         | 27                           |
| Middle   | 24  | 23  | 20                           | 24                         | 23                           |
| Upper  | 40  | 40  | 27                           | 34                         | 25                           |
| Unknown  | 0   | 0   | 9                            | 13                         | 9                            |
| <b>Total</b>   | <b>100%</b>                                     | <b>100%</b>                                     | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

**Lending to Low-Income Borrowers**

**2000 Census Data**

In 2011, 16% of Susquehanna’s HMDA loans were originated to low-income borrowers, which was slightly below the applicable proxy of 17% of the assessment area families categorized as low-income, but significantly above the 2011 aggregate lending level of 9%.

For 2011, Susquehanna originated 21% of its home-purchase loans and 13% of its refinance loans to low-income borrowers. None of the bank’s home-improvement loans were to low-income borrowers. The bank’s home-purchase lending level was significantly above the 2011 aggregate lending level of 12% of home-purchase loans to low-income borrowers. Further, bank lending was well above the aggregate lending level of 6% for refinance loans, but was below the 12% for home-improvement loans.

**2010 Census Data**

In 2012, 16% of the bank’s home-mortgage loans were to low-income borrowers in the assessment area, which was below the applicable proxy of 19% of low-income families. Of the loans originated by the bank to low-income borrowers in 2012, 20% were home-purchase loans, 9% were refinance loans, and 5% home-improvement loans. Aggregate 2012 HMDA loan data were not available at the time of the evaluation for review or comparison.

In assessing the level of lending to low-income borrowers, the evaluation takes into consideration that the home-mortgage credit needs of such individuals and families can be a challenge to address through conventional loan products, presenting a significant obstacle to homeownership. As noted previously, 31% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. In addition, 15% of the assessment area population is over age 65. Generally, this segment of the population, which tends to be lower income, has less of a need for home-mortgage credit, particularly home-purchase loans.

Despite the challenges in lending to low-income borrowers, Susquehanna's lending to these borrowers over the evaluation period was considered excellent. The bank achieved this partly through the use of innovative and flexible lending programs.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, Susquehanna's overall level of HMDA loans to moderate-income borrowers during the evaluation period was excellent, and well above its level of lending to low-income borrowers.

#### **2000 Census Data**

In 2011, Susquehanna originated 28% of its home-mortgage loans to moderate-income borrowers, which is well above the applicable proxy of 19% of the assessment area families categorized as moderate-income. Further, the bank's lending level to moderate-income families also exceeded the 2011 aggregate HMDA lending level of 20%.

Of these loans to moderate-income borrowers, 35% were home-purchase loans, 15% were refinance loans and 50% were home-improvement loans. Susquehanna's lending levels exceeded the 2011 aggregate lending levels of 25% for home-purchase loans and 23% for home-improvement loans to moderate-income borrowers, but was below the aggregate level of 17% for refinance loans.

#### **2010 Census Data**

In 2012, Susquehanna originated 27% of its home-mortgage loans to moderate-income borrowers, which significantly exceeded the applicable proxy of 18% of families. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison. Of these loans to moderate-income borrowers, 35% were home-purchase loans, 13% were refinance loans, and 27% were home-improvement loans. Aggregate 2012 HMDA loan data were not available at the time of the evaluation for review.

Susquehanna enhanced its home-mortgage lending profile through the use of innovative and flexible lending programs to help address the credit needs of low- and moderate-income individuals, families, and households. Susquehanna developed *Home Start*, a mortgage product that allows for flexible underwriting standards and below-market interest rates, with no private mortgage insurance requirement. During the evaluation period, Susquehanna originated a total of 833 loans under the program, aggregating \$107.5 million. Of these loans, 101 loans, aggregating \$11.7 million, were originated in the Harrisburg assessment area.

In conjunction with the Farmers Home Administration Rural Housing loan program, which offers loans to low- and moderate-income individuals or households to purchase homes in rural areas, the bank originated ten loans, aggregating \$1.1 million, in the assessment area.

Susquehanna is also a PHFA approved lender. PHFA offers home-purchase loans with below-market interest rates and fees to eligible homebuyers. PHFA income guidelines ensure that loans are originated primarily to low- and moderate-income borrowers. Borrowers must be first-time homebuyers, or homebuyers in targeted areas, with incomes less than 100% of the area median income and purchasing a home priced below an amount set by PHFA. Through the PHFA, Susquehanna originated one PHFA home-purchase loan in the assessment area, totaling \$184 thousand.

Of note, Susquehanna also committed \$40 thousand to assist in the South Allison Hill Neighborhood Revitalization Project, by partnering with Community Action Commission in Dauphin County. The bank also made a significant number of community development loans to support affordable housing in the assessment area. See the Community Development Lending section of this Lending Test on page 119 of this evaluation for additional details on these loans.

### **Lending to Businesses of Different Sizes**

An analysis of Susquehanna's distribution of loans to businesses in the assessment area reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses. Susquehanna's distribution of loans reflects good penetration among businesses of different sizes.

The number of businesses operating in the Harrisburg assessment area was used as a proxy to estimate demand for business credit in the assessment area. According to available business data for 2011, 29,526 businesses operated in the assessment area, with 89% designated as small businesses or reporting revenues of less than \$1 million. In 2012, 29,753 businesses operated in the assessment area, with 89% designated as small businesses.

In 2011, 28% of the bank's small business loans were originated to small businesses. Aggregate 2011 CRA small business loan data show that 41% of all small business loans made in the assessment area during that year were originated to small businesses. For 2012, 29% of the bank's small business loans were extended to small businesses. Aggregate 2012 CRA small business loan data was not available at the time of the evaluation for review or comparison.

Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. For 2011, 65% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less, compared to an aggregate 2011 level of 90% of all small business loans made in amounts of \$100 thousand or less. For 2012, 52% of the bank's small business loans were extended in an amount of \$100 thousand or less. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the Harrisburg assessment area, American Express Bank, FSB ranked first with 20% of the market for small business lending.

### **Lending to Farms of Different Sizes**

Small farm lending data were analyzed to determine the extent of lending to farms of different sizes, especially small farms. Susquehanna's distribution of loans reflects good penetration among farms of different sizes, considering both available lending opportunities and aggregate lending levels in the assessment area. According to 2011 business data, there were 639 small farms in the assessment area. The number of small farms increased to 682 in 2012.

In 2011, Susquehanna originated 11 small farm loans aggregating \$832 thousand, 82% of which were extended to small farms. By comparison, aggregate 2011 CRA small farm loan data show that 67% of all small farm loans made in the assessment area were to small farms. In 2012, Susquehanna originated 19 small farm loans aggregating \$1.8 million, 84% of which were extended to small farms. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

Small farm loan data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the needs of small farms. Of the 11 small farm loans Susquehanna originated in 2011, 82% were extended in an amount of \$100 thousand or less, above the 2011 aggregate level of 80%. Of the 19 small farm loans originated in 2012, 79% were extended in an amount of \$100 thousand or less.



### **Community Development Lending**

Susquehanna made a relatively high level of community development loans in the Harrisburg assessment area. During the time period evaluated, the bank originated three community development loans, totaling \$5.7 million. One loan, for \$3.3 million, supported the construction of affordable housing units in the city of Harrisburg in Dauphin County. The project was part of a larger redevelopment plan to revitalize a blighted neighborhood. A second loan, aggregating \$2 million, provided funding for affordable housing in Cumberland County. The third loan, aggregating \$369 thousand, provided support for community services in the assessment area.

### **Responsiveness to Credit Needs**

Susquehanna exhibits a good record of serving the credit needs of the most economically disadvantaged areas of this assessment area, including low-income borrowers and very small businesses, consistent with safe and sound banking practices. The bank achieved this record primarily through its community development lending and the use of innovative and flexible lending practices in order to serve assessment area credit needs.

### **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals. The test also considers the innovativeness and complexity of these investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is assessed as high satisfactory in the Harrisburg assessment area. Of Susquehanna's total current investments, 10% are attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants. Investments, totaling \$5.9 million, mainly supported (97%) affordable housing in the Harrisburg assessment area. The remaining 3% of investments supported community development services and economic development.

Of the total investments, \$4.2 million are in a CRA investment fund supporting affordable housing. An additional \$1.4 million are mortgage-backed securities containing residential-mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. The bank also holds a \$24 thousand share in a PHFA Single Family Mortgage Revenue Bond financing homes for low- and moderate-income families within the assessment area, or a larger regional area which includes the assessment area.

In addition to these investments, Susquehanna made grants and contributions to various organizations that routinely provide affordable housing, economic development, and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$122 thousand in qualified grants and donations that benefited the Harrisburg assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. A large portion of the bank's investments support affordable housing in an area with a demonstrated need as a result of high unemployment and the loss of higher-wage jobs in the Harrisburg area.

### **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank's performance under the service test is high satisfactory in the Harrisburg assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are accessible to essentially all portions of the bank's assessment area. In 2011, Susquehanna operated 14 branches in the assessment area with one of those branches, or 7%, located in a moderate-income census tract. No bank branches were located in low-income census tracts. By comparison, 22% of the assessment area population resided in the low- and moderate-income tracts.

In 2012, Susquehanna operated 18 branches in the assessment area, with three branches, or 17%, located in moderate-income census tracts. No bank branches are located in low-income census tracts. By comparison, 24% of the assessment area population resided in low- and moderate-income tracts. The majority of the bank's branches are located in middle-income tracts, two of which are adjacent to moderate-income tracts, making them accessible to customers in moderate-income areas.

The table on the following page details the locations of the bank's branches and the population served.

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**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
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| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>HARRISBURG ASSESSMENT AREA |                    |                  |                |                    |
|--|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                                     |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 17,752         | 4                  |
| Moderate-income  | 1                  | 7                | 85,911         | 18                 |
| Middle-income  | 10                 | 71               | 258,200        | 55                 |
| Upper-income   | 3                  | 21               | 103,609        | 22                 |
| Unknown income   | NA                 | N/A              | 0              | 0                  |
| <b>Totals</b>  | <b>14</b>          | <b>100%</b>      | <b>465,472</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                                     |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 25,133         | 5                  |
| Moderate-income  | 3                  | 17               | 96,131         | 19                 |
| Middle-income  | 10                 | 56               | 245,147        | 49                 |
| Upper-income   | 5                  | 28               | 133,644        | 26                 |
| Unknown income   | NA                 | N/A              | 3,451          | 1                  |
| <b>Totals</b>  | <b>18</b>          | <b>100%</b>      | <b>503,506</b> | <b>100%</b>        |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking*, which features unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers three dollars per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

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*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

**Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income census tracts or to low- and moderate-income individuals in the assessment area.

During the CRA evaluation period, Susquehanna acquired five branches in the Harrisburg assessment area as a result of the acquisition of Graystone Tower Bank. Four of the branches (one moderate-income branch, one middle-income branch, and two upper-income branches) remain open. One branch, located in an upper-income tract, was closed.

| Action    | Census Tract    | Street                         | City       | State |
|-----------|-----------------|--------------------------------|------------|-------|
| Purchased | Upper- Income   | One College Ave, P.O. Box 4515 | Grantham   | PA    |
| Purchased | Moderate-income | 112 Market Street              | Harrisburg | PA    |
| Purchased | Middle-income   | 3599 Gettysburg Road           | Camp Hill  | PA    |
| Purchased | Upper- Income   | 330 York Road                  | Carlisle   | PA    |
| Closed    | Upper- Income   | 4045 Linglestown Road          | Harrisburg | PA    |

**Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

**Community Development Services**

Susquehanna provides a relatively high level of community development services in its Harrisburg assessment area. During the evaluation period, the bank had four employees serving on the boards of six organizations that provide community development services, including:

- Capital Region Economic Development Corporation promotes economic development activities in Cumberland, Dauphin and Perry Counties.
- Dress for Success, a non-profit group, promotes the economic independence of low- and moderate-income women by providing a network of career development tools.
- Pennsylvania Housing Finance Agency provides affordable homes and apartments for older adults, low- and moderate-income individuals, and individuals with special needs.
- Tri-County Housing Development Corp. produces and maintains affordable housing for low- and moderate-income persons in Dauphin, Cumberland and Perry Counties.
- The Hershey Partnership, a non-profit organization, works to foster cooperation between local businesses and the community to promote the Greater Hershey Area.
- The South Central Assembly Housing & Community Development Committee works with community organizations to provide affordable housing and services in the region.

In addition to serving on the boards of organizations, Susquehanna partnered with three local organizations during the evaluation period to provide financial and homeownership education to low- and moderate-income residents.

### **READING ASSESSMENT AREA**

Situated in southeastern Pennsylvania, the Reading MSA is comprised of Berks County, including the city of Reading. As of the 2000 Census, the Reading MSA had 82 census tracts, of which nine tracts were designated as low-income and 16 as moderate-income. All nine low-income tracts and 15 of the moderate-income tracts were located in the city of Reading. Twenty percent of the assessment area population resided within these census tracts.

The 2010 Census data show there were 90 census tracts in Berks County. Eighteen of the tracts were designated as low-income and nine were moderate-income. All 18 of the low-income tracts and seven of the moderate-income tracts were located in the city of Reading. The other two moderate tracts were located near Muhlenberg and Richland Townships. Twenty-two percent of the population resided within these tracts.

Susquehanna's CRA performance was evaluated in terms of the demographic and business context in which the bank operates. According to the FDIC's Summary of Deposits as of June 30, 2012, there were 21 depository institutions operating in the Reading MSA. These institutions maintained 144 banking offices, holding \$8.6 billion in deposits. Susquehanna ranked eighth among these institutions, operating nine branches in the MSA with \$391 million in deposits, or 5% of the deposit market. Sovereign Bank (now Santander Bank, NA), headquartered in Berks County, ranked first with 23% of deposits.

Susquehanna's HMDA loans were compared to the aggregate of all lenders in the Reading MSA reporting real estate loans pursuant to HMDA. These data are reported annually and 2011 is the most recent year for which information is available. According to 2011 aggregate HMDA data, 12,562 home-mortgage loans were collectively originated by 320 financial institutions in the MSA. Susquehanna ranked 18th among residential mortgage reporters in the assessment area in 2011, originating 1% of all such loan originations and purchases. Wells Fargo Bank, NA, was the largest residential mortgage lender with 19% of the market.

Among small business reporters in the assessment area, Susquehanna ranked 11<sup>th</sup> with 3% of the market. According to 2011 aggregate CRA data, there were a total of 66 small business loan reporters in the Reading MSA. These 66 reporters collectively originated 5,672 small business loans in 2011. American Express Bank, FSB ranked first in the market originating 18% of reported loans. Since CRA small business loan reporting includes small business loans issued by reporters under corporate credit card arrangements, the reporters with the highest rankings include national credit card originators such as American Express Bank, FSB and U.S. Bank, NA. Together, these two institutions originated 31% of all small business loans reported in the Reading MSA.

## **ECONOMIC CHARACTERISTICS**

The city of Reading is the largest urban center in the MSA and serves as the county seat. At the 2010 Census, the MSA had a population of 411,442, with 21% of that population residing in the city of Reading. The area's weak economic recovery has been driven by only small gains in the manufacturing and education and health services sectors. Weaknesses in the economy are deteriorating retail trends including loss of retail outlet business to neighboring Lancaster County, a heavy exposure to manufacturing downturns due to low job diversification, and a lack of value-added service jobs. Continued strengths in the local economy include a below-average cost of living and very affordable housing stock.

The competition for financial services is fairly strong because of the large number of competitors in the market. Locally headquartered National Penn Bank has a strong presence in the Reading market and national and super-regional banks like Sovereign Bank, Wells Fargo Bank, and Manufacturers and Traders Trust Company Bank have a significant presence as well.

The largest private employers in the MSA include Reading Hospital and Medical Center, East Penn Manufacturing, Carpenter Technology, Wal-Mart Stores, St. Joseph Medical Center, Weis Markets, Inc., and Boscov's Department Store. The education and health services sector accounts for 16% of employment, compared to 20% state-wide, and 15% in the nation. Manufacturing represents 17% of the MSA's employment, compared to 10% state-wide, and 9% in the nation.

Unemployment rates are higher in the Reading MSA, when compared to the state, as presented in the following table:

| <b>Locations</b> | <b>December 2012</b> | <b>December 2011</b> |
|------------------|----------------------|----------------------|
| Reading MSA      | 7.7%                 | 7.6%                 |
| City of Reading  | 11.4%                | 10.9%                |
| Pennsylvania     | 7.9%                 | 7.4%                 |

To determine the credit needs within the bank's assessment area, examiners interviewed community representatives. Written documentation of the interviews was reviewed during the course of the evaluation to ascertain the credit needs of the community. This information was supplemented with demographic and economic data pertinent to the area. The most frequently mentioned credit needs were loans for small businesses, affordable mortgage products for low- and moderate-income borrowers, and Spanish speaking tellers and other bank personnel.

## **HOUSING**

### **2000 Census Data**

According to 2000 Census data, the Reading MSA contained 150,222 housing units, of which 70% were owner-occupied, 25% were rental units, and 6% were vacant. Of the total existing housing units, 78% were single family units, 10% were two-to-four family units, 9% were multifamily units, and 4% were mobile homes. The overall owner-occupancy rate in the MSA was 70%, compared to 38% for the city of Reading. The high vacancy rates in the city discourage lending for new housing construction. Any new construction that does occur is concentrated in the MSA's more rural or semi-rural areas, which comprise middle- and upper-income census tracts.

At the 2000 Census the median age of the housing stock in the MSA was 43 years, which is the same as the state. The median gross rent was \$545 per month, compared to \$531 for the state. In the city of Reading, the median age of the housing stock was 61 years, which is significantly older than both the MSA and the state. The median gross rent in the city is \$459 per month.

According to the 2000 Census, the median housing value in the assessment area was \$104,358, which is higher than the median housing value for the state (\$94,800). Similarly, 47% of the total owner-occupied housing units in the assessment area were valued at less than \$100 thousand, compared to the state as a whole, where 54% of housing units are valued at less than \$100 thousand. Considerable disparities exist between median housing values in low-income (\$39,337) and moderate-income (\$43,935) census tracts and median values in middle-income (\$108,681) and upper-income (\$131,024) tracts.

### **2010 Census Data**

According to 2010 Census data, the Reading MSA contained 163,574 housing units, of which 69% were owner-occupied, 25% were rental units, and 6% vacant. Of the total existing housing units, 78% were single family units, 8% were two-to-four family units, 10% multifamily units, and 3% mobile homes. The median age of housing stock in the MSA was 48 years, compared to 50 years in the state. The median gross rent was \$743, slightly more than the \$739 figure for the state. In the city of Reading, the median age of the housing stock was 61 years, significantly more than the state, at 50 years, and the MSA, at 48 years.

The median housing value in the assessment area was \$170,403, which is higher than the median housing value for the state (\$159,300). Similarly, 22% of total owner-occupied housing units in the assessment area were valued at less than \$100 thousand, compared to the state as a whole, where 54% of units were valued at less than \$100 thousand. A disparity exists between median housing values in low-income (\$39,337) and moderate-income (\$43,935) census tracts, and median values in middle- (\$108,681) and upper-income (\$131,024) tracts.

Based on data provided by Moody's, the cost of housing in the area remained stable and more affordable than other eastern metropolitan areas, due partially to low foreclosure inventories and limited new construction. The average existing home price in the Reading MSA was \$142,600 in 2011, and rose to \$145,900 in 2012 (an increase of 2%).

The amount of owner-occupied housing located within designated census tracts is used as a proxy to estimate demand for home-mortgage credit within such census tracts. In Berks County, according to 2000 Census data, 3% of owner-occupied units were located in low-income tracts, 10% were in moderate-income tracts, 70% in middle-income tracts, and 17% in upper-income tracts. According to 2010 Census data, 7% of owner-occupied units were in low-income census tracts, 5% in moderate-income tracts, 60% in middle-income tracts, and 28% in upper-income tracts.

## **BORROWER INCOME DATA**

According to 2000 Census data, the median family income for the Reading MSA was \$53,061, which is higher than the state median income of \$49,184. At the 2010 Census, the median family income for the Reading MSA was \$63,724, which is about the same as the state median income of \$63,364. HUD reported that the 2012 adjusted-median family income for the Reading MSA was \$67,100, increasing in 2012 to \$68,000.

The percentage of low- and moderate-income families is used as a proxy to estimate demand for home mortgage lending in the assessment area. According to the 2000 Census, of the total families in the MSA, 18% were designated as low-income and 19% were moderate-income. Families living below the poverty level represented 6% of families in the MSA and 22% of families in the city of Reading, compared with a rate of 8% for the state.

At the 2010 Census, 21% of families in the MSA were designated as low-income and 17% were moderate-income. Families living below the poverty level represented 9% of families in the MSA and 31% of families in the city of Reading, compared with a rate of 9% for the state.

## **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. According to the 2011 business demographics, there were 20,753 businesses located in the assessment area. Of these businesses, 7% were located in low-income census tracts and 6% were in moderate-income tracts. The majority of businesses (68%) were in middle-income census tracts and 19% were in upper-income tracts.

Likewise, 2012 business demographics show 20,002 businesses located in the assessment area. Of these businesses, 10% were located in low-income census tracts and 7% were in moderate-income tracts. The majority of businesses (57%) were located in middle-income tracts and 27% were in upper-income tracts.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.



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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>READING ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 11.0                               | 6,163                    | 6.2              | 2,399  | 38.9                 | 17,568                    | 17.8         |
| Moderate-income   | 16                              | 19.5                               | 11,110                   | 11.2             | 1,618  | 14.6                 | 18,812                    | 19.0         |
| Middle-income   | 48                              | 58.5                               | 66,205                   | 67.0             | 1,919  | 2.9                  | 24,119                    | 24.4         |
| Upper-income  | 9                               | 11.0                               | 15,404                   | 15.6             | 254  | 1.6                  | 38,383                    | 38.8         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>82</b>                       | <b>100.0</b>                       | <b>98,882</b>            | <b>100.0</b>     | <b>6,190</b>                                       | <b>6.3</b>           | <b>98,882</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 12,157                          | 3,147                              | 3.0                      | 25.9             | 7,331  | 60.3                 | 1,679                     | 13.8         |
| Moderate-income   | 19,717                          | 10,549                             | 10.1                     | 53.5             | 6,812  | 34.5                 | 2,356                     | 11.9         |
| Middle-income   | 96,752                          | 73,734                             | 70.4                     | 76.2             | 19,213   | 19.9                 | 3,805                     | 3.9          |
| Upper-income  | 21,596                          | 17,263                             | 16.5                     | 79.9             | 3,521  | 16.3                 | 812                       | 3.8          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>150,222</b>                  | <b>104,693</b>                     | <b>100.0</b>             | <b>69.7</b>      | <b>36,877</b>                                      | <b>24.5</b>          | <b>8,652</b>              | <b>5.8</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 1,445                           | 7.0                                | 1,234                    | 6.7              | 126  | 9.3                  | 85                        | 9.7          |
| Moderate-income   | 1,320                           | 6.4                                | 1,167                    | 6.3              | 72   | 5.3                  | 81                        | 9.3          |
| Middle-income   | 14,113                          | 68.0                               | 12,714                   | 68.6             | 865  | 64.0                 | 534                       | 61.2         |
| Upper-income  | 3,875                           | 18.7                               | 3,414                    | 18.4             | 289  | 21.4                 | 172                       | 19.7         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>20,753</b>                   | <b>100.0</b>                       | <b>18,529</b>            | <b>100.0</b>     | <b>1,352</b>                                       | <b>100.0</b>         | <b>872</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>89.3</b>      |  |                      | <b>6.5</b>                | <b>4.2</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>READING ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 18                              | 20.0                               | 13,625                   | 12.7             | 5,394  | 39.6                 | 21,927                    | 20.5         |
| Moderate-income   | 9                               | 10.0                               | 6,473                    | 6.0              | 734  | 11.3                 | 18,593                    | 17.4         |
| Middle-income   | 46                              | 51.1                               | 59,752                   | 55.8             | 2,716  | 4.5                  | 24,801                    | 23.2         |
| Upper-income  | 17                              | 18.9                               | 27,145                   | 25.4             | 737  | 2.7                  | 41,674                    | 38.9         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>90</b>                       | <b>100.0</b>                       | <b>106,995</b>           | <b>100.0</b>     | <b>9,581</b>                                       | <b>9.0</b>           | <b>106,995</b>            | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 25,768                          | 7,965                              | 7.1                      | 30.9             | 13,651   | 53.0                 | 4,152                     | 16.1         |
| Moderate-income   | 10,786                          | 5,743                              | 5.1                      | 53.2             | 4,041  | 37.5                 | 1,002                     | 9.3          |
| Middle-income   | 89,332                          | 67,527                             | 60.3                     | 75.6             | 17,814   | 19.9                 | 3,991                     | 4.5          |
| Upper-income  | 37,688                          | 30,833                             | 27.5                     | 81.8             | 5,733  | 15.2                 | 1,122                     | 3.0          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>163,574</b>                  | <b>112,068</b>                     | <b>100.0</b>             | <b>68.5</b>      | <b>41,239</b>                                      | <b>25.2</b>          | <b>10,267</b>             | <b>6.3</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 1,982                           | 9.9                                | 1,702                    | 9.6              | 149  | 11.0                 | 131                       | 15.3         |
| Moderate-income   | 1,399                           | 7.0                                | 1,187                    | 6.7              | 134  | 9.9                  | 78                        | 9.1          |
| Middle-income   | 11,334                          | 56.7                               | 10,133                   | 56.9             | 738  | 54.6                 | 463                       | 54.1         |
| Upper-income  | 5,287                           | 26.4                               | 4,773                    | 26.8             | 330  | 24.4                 | 184                       | 21.5         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>20,002</b>                   | <b>100.0</b>                       | <b>17,795</b>            | <b>100.0</b>     | <b>1,351</b>                                       | <b>100.0</b>         | <b>856</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>89.0</b>      |  |                      | <b>6.8</b>                | <b>4.3</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is assessed as high satisfactory in the Reading assessment area.

**Geographic Distribution of Lending**

The geographic distribution of loans in the Reading assessment area reflects good dispersion throughout the assessment area, including low- and moderate-income census tracts.

**Home Mortgage Lending**

Susquehanna's geographic distribution of home-mortgage loans reflects good dispersion throughout the assessment area, taking into consideration the assessment area's demographic and economic characteristics.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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During the period evaluated, Susquehanna originated 252 HMDA loans in the assessment area, in an aggregate amount of \$39 million. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2000 Census data, 70% of the assessment area’s owner-occupied housing stock was located in middle-income census tracts and 17% was in upper-income tracts. There are a limited number of owner-occupied housing units in the low- and moderate-income tracts in the Reading assessment area. Only 3% of housing units were located in low-income tracts and 10% were in moderate-income tracts in the assessment area.

As of the 2010 Census, 60% of owner-occupied housing stock was located in middle-income census tracts and 28% was in upper-income census tracts. Housing stock in the low- and moderate-income tracts was limited in the Reading assessment area. Seven percent of owner-occupied housing units were in low-income tracts and 5% were in moderate-income tracts in the assessment area.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and available aggregate lending levels in the Reading assessment area.

| <b>SUSQUEHANNA BANK<br/>READING ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL</b> |                                      |                                      |                       |                     |                       |
|---|--------------------------------------|--------------------------------------|-----------------------|---------------------|-----------------------|
| Income Level  | % Owner-occupied Units (2000 Census) | % Owner-occupied Units (2010 Census) | Aggregate Comparison  |                     |                       |
|   |                                      |                                      | 2011                  |                     | 2012*                 |
|   |                                      |                                      | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 3                                    | 7                                    | 2                     | 1                   | 5                     |
| Moderate  | 10                                   | 5                                    | 9                     | 5                   | 5                     |
| Middle  | 70                                   | 60                                   | 69                    | 72                  | 52                    |
| Upper   | 17                                   | 28                                   | 20                    | 22                  | 38                    |
| Unknown   | 0                                    | 0                                    | 0                     | 0                   | 0                     |
| <b>Total</b>  | <b>100%</b>                          | <b>100%</b>                          | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

Based on aggregate lending levels and the limited availability of housing, lending opportunities in the assessment area’s low- and moderate-income census tracts, during 2011 and 2012, appear limited. Despite such limited lending opportunities, Susquehanna’s lending in these tracts was considered good. Over the evaluation period, the bank did a better job than aggregate lenders at making home-mortgage loans in low- and moderate-income census tracts.

## **Lending in Low-Income Census Tracts**

### **Home Mortgage Lending**

#### **2000 Census Data**

In 2011, Susquehanna's HMDA lending level of 2% in low-income census tracts, was slightly below the applicable owner-occupied housing proxy of 3%, but was slightly above the aggregate lending level of 1% during that year.

Susquehanna made no home-purchase loans in low-income tracts in 2011 in the Reading assessment area. Of the loans the bank originated in low-income tracts, 2% were refinance loans and 7% were home-improvement loans. By comparison, the aggregate lending level for home-purchase loans in low-income census tracts was 2%, while 1% of all loans were refinance loans and 4% were home-improvement loans. Aggregate 2011 loan data also shows that 22% of all loans to finance multifamily housing were made in low-income tracts, compared to no multifamily loans for Susquehanna.

#### **2010 Census Data**

In 2012, the bank's lending level in low-income tracts increased significantly to 5% of loans, which was still below the applicable housing proxy of 7%, but was greater than the bank's 2011 lending level. Of these loans, 4% were home-purchase loans, 4% were refinance loans, and 11% were home-improvement loans in low-income tracts. The bank made no loans to finance multifamily housing in low-income tracts in 2012. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

Lending in low-income tracts was limited for all banks, including Susquehanna. This was not unexpected in that 60% of all housing units in the low-income census tracts were rental units and 14% were vacant, according to the 2000 Census data. Just 26% of housing units were owner-occupied and, as such, available for purchase. These figures for the 2010 Census data were 53% rental units and 16% vacant. It also bears mentioning that, according to both 2000 and 2010 Census data, nearly 40% of the families in the assessment area's low-income tracts live below the poverty level, making it very difficult for this segment of the population to purchase a home.

## **Lending in Moderate-Income Census Tracts**

#### **2000 Census Data**

In 2011, Susquehanna's HMDA lending level of 9% in moderate-income census tracts was only slightly below the applicable owner-occupied housing proxy of 10%, and was well above the aggregate lending level of 5%. Of these loans, 8% were home-purchase loans, 7% were refinance loans, and 14% were home-improvement loans. By comparison, 2011 aggregate lending levels show 7% of all loans were home-purchase loans, 2% were refinance loans, and 15% were home-improvement loans. Further, Susquehanna made 50% of its multifamily loans in moderate-income tracts in 2011, while aggregate 2011 loan data show that 22% of all loans to finance multifamily housing were made in moderate-income tracts.

**2010 Census Data**

In 2012, the bank’s lending level fell to 5% of loans in moderate-income tracts, which was equal to the applicable housing proxy of 5%. Of these loans, 2% were home-purchase loans, 8% were refinance loans, and 6% were home-improvement loans in moderate-income tracts. The bank made no loans to finance multifamily housing in moderate-income tracts in 2012. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

Overall, Susquehanna’s HMDA lending in low- and moderate-income census tracts was good, particularly when compared to aggregate lending levels. Bank lending is also good in the context of the Reading assessment area’s competitive banking market, including the presence of many financial institutions and mortgage companies, large and small, operating in the assessment area. In 2011, there were 320 institutions reporting HMDA loans in this relatively small assessment area.

**Small Business Lending**

The geographic distribution of small business loans reflects adequate dispersion throughout the Reading assessment area, in context of the area’s demographic and economic characteristics.

During the period evaluated, Susquehanna originated 352 small business loans in the assessment area, in an aggregate amount of \$43 million. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Based on available 2011 business data, 7% of the assessment area’s businesses were located in low-income census tracts and 6% were in moderate-income tracts. Likewise, in 2012, 10% of businesses were located in low-income census tracts and 7% were in moderate-income tracts. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract. As previously discussed, all of the assessment area’s low-income tracts and nearly all of its moderate-income tracts, were located in the city of Reading.

The table below shows a comparison of Susquehanna’s lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

| SUSQUEHANNA BANK<br>READING ASSESSMENT AREA<br>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS |                                   |                                   |                       |                     |                       |
|--|-----------------------------------|-----------------------------------|-----------------------|---------------------|-----------------------|
| Census Tract Type  | % Businesses by Tract Type (2011) | % Businesses by Tract Type (2012) | Aggregate Comparison  |                     |                       |
|  |                                   |                                   | 2011                  |                     | 2012*                 |
|  |                                   |                                   | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low  | 7                                 | 10                                | 5                     | 5                   | 6                     |
| Moderate   | 6                                 | 7                                 | 3                     | 5                   | 6                     |
| Middle   | 68                                | 57                                | 69                    | 68                  | 52                    |
| Upper  | 19                                | 26                                | 23                    | 19                  | 36                    |
| Unknown  | 0                                 | 0                                 | 0                     | 3                   | 0                     |
| <b>Total</b>   | <b>100%</b>                       | <b>100%</b>                       | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

In 2011, Susquehanna originated 5% of its small business loans in the assessment area's low-income census tracts, which was below the applicable loan demand proxy of 7% of businesses, and equal to the aggregate lending level of loans in low-income tracts. In 2012, Susquehanna's lending level in low-income tracts increased to 6%, compared to the loan demand proxy of 7% of businesses in low-income tracts. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for review or comparison.

### **Lending in Moderate-Income Census Tracts**

Susquehanna's 2011 lending level in the assessment area's moderate-income census tracts was 3%, which was below both the applicable proxy of 6% of businesses in moderate-income tracts and below the 2011 aggregate lending level of 5% in such tracts. Although the bank's lending level in moderate-income tracts increased to 6% in 2012, it still remained below the applicable business proxy of 7%. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for comparison.

Susquehanna's lending levels in the low- and moderate-income census tracts were similar to aggregate lending levels in 2011, despite the heavy competition for small business loans in these tracts. In addition, lending was adequate even though all of the assessment area's low-income tracts and nearly all of its moderate-income tracts were located in the city of Reading.

### **Distribution of Loans by Borrower Income Level and Revenue Size of the Business**

Given the Reading assessment area's demographic and economic characteristics, the distribution of Susquehanna's borrowers reflects good penetration among retail customers of different income levels, including low- and moderate-income persons, and business customers of different sizes, including small businesses.

### **Lending to Borrowers of Different Income Levels**

#### Home Mortgage Lending

Susquehanna's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, is good in context of the assessment area's demographics and economic characteristics.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, the 2000 Census data show that 18% of assessment area families were low-income and 19% were moderate-income. Likewise, according to the 2010 Census, 21% of families were low-income and 17% were moderate-income.

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Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. More than one third of families in the Reading assessment area were considered low- or moderate-income at both the 2000 and 2010 Census. In the city of Reading, more than two thirds of families were considered low- or moderate-income at both the 2000 and 2010 Census.

During the current evaluation period, the bank reported 252 HMDA loans in the Reading assessment area, in an aggregate amount of \$39 million. The following table compares Susquehanna’s lending to available aggregate lending levels, using median family income as a proxy for loan demand.

| <b>SUSQUEHANNA BANK<br/>READING ASSESSMENT AREA<br/>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL</b> |  |  |                       |                     |                       |
|---|--|--|-----------------------|---------------------|-----------------------|
| Income Level  | % Families by Income Level (2000 Census) | % Families by Income Level (2010 Census) | Aggregate Comparison  |                     |                       |
|   |  |  | 2011                  |                     | 2012*                 |
|   |  |  | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 18                                       | 21                                       | 6                     | 8                   | 7                     |
| Moderate  | 19                                       | 17                                       | 19                    | 21                  | 28                    |
| Middle  | 24                                       | 23                                       | 27                    | 24                  | 21                    |
| Upper   | 39                                       | 39                                       | 40                    | 35                  | 33                    |
| Unknown   | 0  | 0  | 8                     | 12                  | 11                    |
| <b>Total</b>  | <b>100%</b>                              | <b>100%</b>                              | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

### **Lending to Low-Income Borrowers**

#### **2000 Census**

In 2011, 6% of the bank’s home-mortgage loans were to low-income borrowers in the assessment area, which was well below the proxy of 18% of families categorized as low-income, but only slightly below the 2011 aggregate lending level of 8% of loans to low-income borrowers.

For 2011, Susquehanna originated 8% of its home-purchase loans, 4% of its refinance loans, and 7% of its home-improvement loans to low-income borrowers in the Reading assessment area. Aggregate lending levels to low-income borrowers for 2011 show greater lending penetration rates at 11% for home-purchase loans, 5% for refinance loans, and 18% for home-improvement loans.

#### **2010 Census**

In 2012, the bank’s relative lending level to low-income borrowers increased to 7%, which although well below the applicable proxy of 21% of low-income borrowers, marked an increase when compared to the bank’s 2011 lending level. Aggregate 2012 HMDA data were not available at the time of the evaluation for comparison.

In 2012, Susquehanna originated 9% of its home-purchase loans and 4% of its refinance loans to low-income borrowers. In addition, the bank made 11% of its home-improvement loans to low-income borrowers in the Reading assessment area in 2012.

In assessing the level of lending among low-income borrowers, the evaluation takes into consideration that the home mortgage credit needs of such individuals and families can be a challenge to address through conventional loan products, presenting a significant obstacle to homeownership. In the assessment area, 44% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, Susquehanna's overall level of HMDA loans to moderate-income borrowers was adequate in 2011 and was excellent in 2012.

#### **2000 Census**

In 2011, the bank made 19% of its loans to moderate-income families, which equaled the applicable loan demand proxy of 19% of moderate-income families and but was slightly below the aggregate 2011 HMDA lending level of 21%.

In 2011, the bank originated 27% of its home-purchase loans, 13% of its refinance loans, and 14% of its home-improvement loans to moderate-income borrowers, which was below the 2011 aggregate lending levels of 29% for home-purchase loans, 17% for refinance loans, and 24% for home-improvement loans.

#### **2010 Census**

In 2012, the bank made 28% of its home-mortgage loans to moderate-income families, which exceeded the applicable proxy of 17% of moderate-income families. By product type in 2012, Susquehanna made 34% of its home-purchase loans, 25% of its refinance loans, and 22% of its home-improvement loans to moderate-income borrowers. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

The bank used innovative or flexible lending programs to address the credit needs of low- and moderate-income individuals, families, and households, which enhanced its home-mortgage lending among these borrowers in the assessment area. During the evaluation period, the bank originated 31 home-mortgage loans, aggregating \$3.8 million, in the assessment area, using its proprietary residential mortgage product developed for low- and moderate-income borrowers.

In conjunction with the Farmers Home Administration Rural Housing loan program, which offers loans to low- and moderate-income individuals or households to purchase homes in rural areas, the bank originated three loans during the evaluation period, aggregating \$503 thousand, in the assessment area.



### **Lending to Businesses of Different Sizes**

An analysis of Susquehanna's distribution of loans to businesses reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the Reading assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available business data, 20,753 businesses were operating in the assessment area in 2011, with 89% designated as small businesses or reporting revenues of less than \$1 million. The number of business in the assessment area fell to 20,002 in 2012, with 89% designated as small business.

In 2011, Susquehanna originated 156 small business loans, aggregating \$16.2 million, 30% of which were originated to small businesses (businesses with annual revenues of \$1 million or less). The bank's 2011 lending level fell below the aggregate lending level of 42%. For 2012, Susquehanna originated 196 small business loans, aggregating \$26.7 million, 24% of which were originated to small businesses.

Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. In 2011, 75% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less. In 2012, 63% of the bank's small business loans were extended in amount of \$100 thousand or less.

Aggregate data for 2011 show that 89% of all small business loans made in the assessment area during that year were originated in amounts of \$100 thousand or less. In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. CRA small business loan reporters with the highest rankings include national credit card originators such as American Express Bank, FSB; US Bank NA; Chase Bank USA NA; Citibank SD NA; Capital One Bank USA; and GE Money Bank. Together, these six institutions originated 54% of all small business loans reported.

### **Community Development Lending**

Susquehanna made an adequate level of community development loans in the Reading assessment area. During the time period evaluated, the bank originated two community development loans, aggregating \$200 thousand. Both loans supported the provision of community development services targeted to low- and moderate-income residents in the assessment area.

### **Responsiveness to Credit Needs**

Susquehanna exhibits an adequate record of serving the credit needs of the most economically disadvantaged areas of this assessment area, low-income borrowers, and very small businesses, consistent with safe and sound banking practices. The bank achieved this record primarily through the use of innovative and flexible lending practices to serve assessment area credit needs.

### **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals as well as the innovativeness and complexity of such investments. Qualified investments made before the previous evaluation, which are still outstanding, are considered under this test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is high satisfactory in the Reading assessment area. Of Susquehanna's total current investments, 5% are attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants in the Reading assessment area. Investments, aggregating \$3.1 million, mainly (70%) supported economic development in the assessment area. The remaining 30% of investment dollars supported affordable housing.

Of the bank's investments, \$2.1 million supported small businesses and economic development in the assessment area. Specifically, \$1 million of investments were mortgage-backed securities containing residential-mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. In addition, the bank holds a \$24 thousand share in the PHFA Single Family Mortgage Revenue Bond which financed homes for low- and moderate-income families in Pennsylvania.

The bank made grants and contributions to various organizations that routinely provide affordable housing, economic development, and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$39 thousand in qualified grants and donations that benefit the Reading assessment area.

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. The largest portion of the bank's investments supported job creation through small businesses and economic development, a demonstrated need in this assessment area. The Reading area's recovery from the economic downturn was weakened by low and declining labor force participation.

## **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank's performance under the service test is assessed as high satisfactory in the Reading assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are reasonably accessible to essentially all portions of the bank's Reading assessment area. In 2011, Susquehanna operated 8 branches in the assessment area with none of those branches located in low- or moderate-income census tracts. By comparison, 20% of the assessment area population resided in the low- and moderate-income tracts. In 2012, Susquehanna operated seven branches in the assessment area, with none of those branches located in low- or moderate-income census tracts. By comparison, 22% of the assessment area population now resides in the low- and moderate- income tracts.

The Reading assessment area contains 25 low- and moderate-income census tracts which are concentrated in the city of Reading, and 21% of the assessment area population resided within such tracts. Although no branches were located in low- or moderate-income tracts, six branches were located within three to five miles of the city's low- or moderate-income tracts.

The table on the following page details the locations of the bank's branches and the population served.

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| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>READING ASSESSMENT AREA |                    |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                                  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 0                  | 0                | 27,533         | 7                  |
| Moderate-income   | 0                  | 0                | 47,334         | 13                 |
| Middle-income   | 5                  | 63               | 242,707        | 65                 |
| Upper-income  | 3                  | 38               | 56,044         | 15                 |
| Unknown income  | NA                 | N/A              | 0              | 0                  |
| <b>Totals</b>   | <b>8</b>           | <b>100%</b>      | <b>373,618</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                                  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 0                  | 0                | 61,494         | 15                 |
| Moderate-income   | 0                  | 0                | 26,782         | 7                  |
| Middle-income   | 5                  | 71               | 220,646        | 54                 |
| Upper-income  | 2                  | 29               | 102,520        | 25                 |
| Unknown income  | NA                 | N/A              | 0              | 0                  |
| <b>Totals</b>   | <b>7</b>           | <b>100%</b>      | <b>411,442</b> | <b>100%</b>        |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers \$3.00 per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

### **Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income census tracts or to low- and moderate-income individuals in the assessment area.

During the CRA evaluation period, Susquehanna closed one branch, located in what is now a moderate-income census tract. At the time of the closing, 2010 Census data was not yet available and the branch was located in a middle-income tract. All branch accounts were transferred to the Kenhorst Branch less than two-miles away.

### **Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

### **Community Development Services**

Susquehanna provides a relatively high level of community development services in the Reading assessment area. In 2011, the bank had six employees sitting on boards or serving in other leadership capacities at eight area community development organizations. In 2012, there were five Susquehanna employees serving seven organizations.

- Habitat for Humanity of Berks County provides affordable housing for low- and moderate-income families.
- Hope Rescue Mission provides various programs for low- and moderate-income men, including basic work skills, financial literacy education, as well as food, clothing and shelter.
- Neighborhood Housing Services of Greater Berks County supports affordable housing initiatives by helping to expand homeownership opportunities for low- and moderate-income individuals and families in Berks County.
- Opportunity House, a multiservice organization, improves the quality of life for low- and moderate-income children, families and adults.
- West Reading Main Street Foundation promotes business development and expansion within Berks County.

Susquehanna also partners with groups to improve financial literacy within the assessment area. Five employees partnered with the Reading Public Library to deliver financial education and homeownership counseling to area residents.

## LIMITED REVIEW ASSESSMENT AREA CONCLUSIONS

Limited reviews of Susquehanna's CRA performance were conducted in six Pennsylvania assessment areas: Allentown, Williamsport, North Central Pennsylvania (Northumberland, Union, Snyder, and Schuylkill counties), Scranton, State College, and Lebanon. The bank's performance in these assessment areas was largely consistent with its performance in the full review assessment areas of Lancaster, York, Harrisburg, South Central Pennsylvania (Franklin, Fulton, and Bedford Counties), and Reading. For purposes of assessing performance, greater weight was given to the bank's performance in the full review assessment areas.

Conclusions regarding performance, which did not impact the overall institution rating, are as follows:

| <b>Assessment Area</b>   | <b>Lending Test</b> | <b>Investment Test</b> | <b>Service Test</b> |
|--|---------------------|------------------------|---------------------|
| Allentown (Lehigh and Northampton Counties)  | Consistent          | Consistent             | Consistent          |
| Williamsport (Lycoming County)   | Consistent          | Consistent             | Consistent          |
| North Central Pennsylvania (Northumberland, Union, Snyder and Schuylkill Counties) | Consistent          | Consistent             | Consistent          |
| Scranton (Luzerne County)  | Consistent          | Consistent             | Consistent          |
| State College (Centre County)  | Consistent          | Consistent             | Consistent          |
| Lebanon (Lebanon County)   | Consistent          | Below                  | Consistent          |

### **ALLENTOWN ASSESSMENT AREA**

Situated in the eastern Pennsylvania area known as the Lehigh Valley, the Allentown-Bethlehem-Easton MSA (Allentown MSA) includes Lehigh, Northampton and Carbon Counties in Pennsylvania and Warren County in New Jersey. Susquehanna's Allentown assessment area includes only Lehigh and Northampton Counties.

The Allentown assessment area had 130 census tracts as of the 2000 Census, nine of which were low-income and 28 moderate-income. Of the nine low-income census tracts, six were in the city of Allentown and three were in the city of Bethlehem. Of the 28 moderate-income tracts, 15 were in Allentown, three were in Bethlehem, and five in Easton. The remaining five moderate-income tracts were scattered throughout Lehigh and Northampton Counties. Twenty-four percent of the assessment area's population resided in these low- and moderate-income census tracts.

The 2010 Census showed there were 144 census tracts in the Allentown assessment area, of which 16 were low-income and 28 were moderate-income. The low- and moderate-income census tracts continued to be concentrated in the cities of Allentown, Bethlehem, and Easton.

Susquehanna's performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates. According to the FDIC's Summary of Deposits, as of June 30, 2012, there were 26 depository institutions operating in Lehigh and Northampton Counties. These institutions maintained a total of 231 branches holding \$11.4 billion in deposits. Susquehanna, with seven branches in the assessment area, ranked 15<sup>th</sup> with \$239 million, or 2% of the retail deposit market. Wells Fargo Bank, NA has a strong presence in the market, ranking 1<sup>st</sup>, with 27% of the market. Of Susquehanna's total bank deposits, 2% were attributed to its Allentown assessment area.

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Susquehanna reported 89 home-mortgage loans aggregating \$11.8 million and 263 small business loans aggregating \$26.9 million, during the evaluation period. Of the 89 home-mortgage loans, 15% were originated in low- or moderate-income census tracts and 44% were made to low- and moderate-income borrowers. Of the total 267 small business loans, 27% were originated in low- or moderate-income tracts and 23% were made to small businesses.

During the period evaluated, the bank originated a \$200 thousand community development loan that supported an affordable housing initiative in Lehigh County. Susquehanna also holds \$5.3 million in qualified community development investments in the assessment area, mainly supporting affordable housing. Of Susquehanna's total current investments, 8% are attributed to this assessment area. Bank investments in this assessment area are lower than investments in the previous CRA evaluation.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>ALLENTOWN ASSESSMENT AREA<br>2011 |  |   |                          |                         |  |                             |                           |              |
|---|--|---|--------------------------|-------------------------|--|-----------------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution                     |   | Families by Tract Income |                         | Families < Poverty Level as % of Families by Tract |                             | Families by Family Income |              |
|   | #                                      | %   | #                        | %                       | #  | %                           | #                         | %            |
| Low-income  | 9                                      | 6.9   | 5,063                    | 3.3                     | 1,721  | 34.0                        | 28,541                    | 18.6         |
| Moderate-income   | 28                                     | 21.5  | 26,624                   | 17.3                    | 3,885  | 14.6                        | 29,591                    | 19.2         |
| Middle-income   | 68                                     | 52.3  | 78,949                   | 51.3                    | 3,174  | 4.0                         | 36,031                    | 23.4         |
| Upper-income  | 25                                     | 19.2  | 43,212                   | 28.1                    | 737  | 1.7                         | 59,685                    | 38.8         |
| Unknown income  | 0                                      | 0.0   | 0                        | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>130</b>                             | <b>100.0</b>                                  | <b>153,848</b>           | <b>100.0</b>            | <b>9,517</b>                                       | <b>6.2</b>                  | <b>153,848</b>            | <b>100.0</b> |
|   | <b>Housing Units by Tract</b>          | <b>Housing Types by Tract</b>                 |                          |                         |  |                             |                           |              |
|   |  | <b>Owner-occupied</b>                         |                          | <b>Rental</b>           |  | <b>Vacant</b>               |                           |              |
|   | <b>#</b>                               | <b>#</b>                                      | <b>%</b>                 | <b>%</b>                | <b>#</b>   | <b>%</b>                    | <b>#</b>                  | <b>%</b>     |
| Low-income  | 9,898                                  | 2,405   | 1.5                      | 24.3                    | 6,159  | 62.2                        | 1,334                     | 13.5         |
| Moderate-income   | 47,070                                 | 22,771  | 14.4                     | 48.4                    | 20,514   | 43.6                        | 3,785                     | 8.0          |
| Middle-income   | 121,955                                | 85,386  | 53.9                     | 70.0                    | 31,283   | 25.7                        | 5,286                     | 4.3          |
| Upper-income  | 56,697                                 | 47,785  | 30.2                     | 84.3                    | 7,144  | 12.6                        | 1,768                     | 3.1          |
| Unknown income  | 0                                      | 0   | 0.0                      | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>235,620</b>                         | <b>158,347</b>                                | <b>100.0</b>             | <b>67.2</b>             | <b>65,100</b>                                      | <b>27.6</b>                 | <b>12,173</b>             | <b>5.2</b>   |
|   | <b>Total Businesses by Tract</b>       | <b>Businesses by Tract &amp; Revenue Size</b> |                          |                         |  |                             |                           |              |
|   |  | <b>Less Than or = \$1 Million</b>             |                          | <b>Over \$1 Million</b> |  | <b>Revenue Not Reported</b> |                           |              |
|   | <b>#</b>                               | <b>%</b>                                      | <b>#</b>                 | <b>%</b>                | <b>#</b>   | <b>%</b>                    | <b>#</b>                  | <b>%</b>     |
| Low-income  | 1,443                                  | 4.1   | 1,223                    | 3.9                     | 133  | 6.3                         | 87                        | 6.5          |
| Moderate-income   | 4,881                                  | 13.9  | 4,294                    | 13.6                    | 375  | 17.7                        | 212                       | 15.8         |
| Middle-income   | 17,244                                 | 49.3  | 15,709                   | 49.8                    | 884  | 41.8                        | 651                       | 48.4         |
| Upper-income  | 11,426                                 | 32.7  | 10,311                   | 32.7                    | 721  | 34.1                        | 394                       | 29.3         |
| Unknown income  | 0                                      | 0.0   | 0                        | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>34,994</b>                          | <b>100.0</b>                                  | <b>31,537</b>            | <b>100.0</b>            | <b>2,113</b>                                       | <b>100.0</b>                | <b>1,344</b>              | <b>100.0</b> |
|   | <b>Percentage of Total Businesses:</b> |   |                          | <b>90.1</b>             |  |                             | <b>6.0</b>                | <b>3.8</b>   |



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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>ALLENTOWN ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 16                              | 11.1                               | 14,207                   | 8.5              | 4,677  | 32.9                 | 34,092                    | 20.3         |
| Moderate-income   | 28                              | 19.4                               | 27,652                   | 16.5             | 4,371  | 15.8                 | 30,941                    | 18.4         |
| Middle-income   | 64                              | 44.4                               | 74,501                   | 44.4             | 2,873  | 3.9                  | 36,679                    | 21.8         |
| Upper-income  | 36                              | 25.0                               | 51,585                   | 30.7             | 1,065  | 2.1                  | 66,233                    | 39.4         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>144</b>                      | <b>100.0</b>                       | <b>167,945</b>           | <b>100.0</b>     | <b>12,986</b>                                      | <b>7.7</b>           | <b>167,945</b>            | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 24,981                          | 7,998                              | 4.5                      | 32.0             | 14,309   | 57.3                 | 2,674                     | 10.7         |
| Moderate-income   | 49,737                          | 23,546                             | 13.4                     | 47.3             | 22,301   | 44.8                 | 3,890                     | 7.8          |
| Middle-income   | 115,768                         | 84,995                             | 48.3                     | 73.4             | 24,675   | 21.3                 | 6,098                     | 5.3          |
| Upper-income  | 69,655                          | 59,333                             | 33.7                     | 85.2             | 7,651  | 11.0                 | 2,671                     | 3.8          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>260,141</b>                  | <b>175,872</b>                     | <b>100.0</b>             | <b>67.6</b>      | <b>68,936</b>                                      | <b>26.5</b>          | <b>15,333</b>             | <b>5.9</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 2,395                           | 7.1                                | 2,077                    | 6.9              | 209  | 10.0                 | 109                       | 8.2          |
| Moderate-income   | 5,651                           | 16.8                               | 4,983                    | 16.5             | 389  | 18.7                 | 279                       | 21.1         |
| Middle-income   | 14,851                          | 44.2                               | 13,513                   | 44.7             | 778  | 37.3                 | 560                       | 42.3         |
| Upper-income  | 10,740                          | 31.9                               | 9,658                    | 31.9             | 707  | 33.9                 | 375                       | 28.3         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>33,637</b>                   | <b>100.0</b>                       | <b>30,231</b>            | <b>100.0</b>     | <b>2,083</b>                                       | <b>100.0</b>         | <b>1,323</b>              | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>89.9</b>      |  |                      | <b>6.2</b>                | <b>3.9</b>   |

The following table details the locations of the bank's branches in the Allentown assessment area, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>ALLENTOWN ASSESSMENT AREA |                    |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                                    |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 1                  | 14               | 26,468         | 5                  |
| Moderate-income   | 1                  | 14               | 111,886        | 19                 |
| Middle-income   | 4                  | 58               | 290,622        | 50                 |
| Upper-income  | 1                  | 14               | 150,180        | 26                 |
| <b>Totals</b>   | <b>7</b>           | <b>100%</b>      | <b>579,156</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                                    |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 1                  | 14               | 63,877         | 10                 |
| Moderate-income   | 1                  | 14               | 118,822        | 18                 |
| Middle-income   | 4                  | 58               | 274,389        | 42                 |
| Upper-income  | 1                  | 14               | 190,144        | 30                 |
| <b>Totals</b>   | <b>7</b>           | <b>100%</b>      | <b>647,232</b> | <b>100%</b>        |

**WILLIAMSPORT ASSESSMENT AREA**

The Williamsport MSA is comprised entirely of Lycoming County, Pennsylvania, and includes the city of Williamsport. The city is the largest urban center in the MSA and serves as the county seat. Williamsport is considered a commercial hub in the north central Pennsylvania region.

According to 2000 Census data, the Williamsport MSA included 27 census tracts. None of the census tracts were designated as low-income; however, six were designated as moderate-income. All six of the moderate-income census tracts were located in the city of Williamsport and contained 18% of the total assessment area population.

According to the 2010 Census data, the Williamsport MSA included 29 census tracts. One tract was designated as low-income and two tracts were moderate-income. All of the low- and moderate-income census tracts were in the city of Williamsport. The one low-income tract accounted for 4% of the assessment area population, while the two moderate-income tracts accounted for 7% of the population.

Natural gas exploration and extraction companies expanded steadily throughout the recession in Lycoming County and surrounding counties in the Marcellus Shale Region. Job creation, land leasing, and tax revenue generation resulting from the natural gas exploration and extraction has improved Williamsport's economic outlook.

Susquehanna's CRA performance was evaluated in terms of the demographic and business context in which the bank operates. According to the Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits, as of June 30, 2012, there were 11 depository institutions operating in the Williamsport MSA. These institutions maintained an aggregate of 52 banking offices, holding \$1.9 billion in deposits. Susquehanna ranked third among these institutions, with 13% of deposits. The largest local bank in the assessment area, Jersey Shore State Bank, ranked first with 18% of deposits. Of Susquehanna's total bank deposits, 2% were attributed to the Williamsport assessment area.

Susquehanna reported 249 home-mortgage loans in the assessment area, aggregating \$30.4 million and originated 192 small business loans, aggregating \$29.8 million, during the evaluation period. Of the total 249 home-mortgage loans, 6% were originated in low- or moderate-income census tracts and 25% were made to low- and moderate-income borrowers. Of the total 192 small business loans, 7% were originated in low- or moderate-income tracts and 38% were made to small businesses.

During the period evaluated, the bank had no community development loans in the Williamsport assessment area. Susquehanna holds \$755 thousand in qualified community development investments in the assessment area, primarily supporting affordable housing. Of Susquehanna's total current investments, 1% are attributed to this assessment area.

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The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>WILLIAMSPORT ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 5,317                     | 16.7         |
| Moderate-income  | 6                               | 22.2                               | 4,352                    | 13.6             | 705  | 16.2                 | 6,395                     | 20.0         |
| Middle-income  | 19                              | 70.4                               | 26,153                   | 81.9             | 1,769  | 6.8                  | 7,905                     | 24.8         |
| Upper-income   | 2                               | 7.4                                | 1,411                    | 4.4              | 40   | 2.8                  | 12,299                    | 38.5         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>27</b>                       | <b>100.0</b>                       | <b>31,916</b>            | <b>100.0</b>     | <b>2,514</b>                                       | <b>7.9</b>           | <b>31,916</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          |                  | Rental   |                      | Vacant                    |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 9,578                           | 3,205                              | 9.8                      | 33.5             | 5,277  | 55.1                 | 1,096                     | 11.4         |
| Middle-income  | 40,780                          | 27,879                             | 85.4                     | 68.4             | 8,666  | 21.3                 | 4,235                     | 10.4         |
| Upper-income   | 2,106                           | 1,569                              | 4.8                      | 74.5             | 407  | 19.3                 | 130                       | 6.2          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>52,464</b>                   | <b>32,653</b>                      | <b>100.0</b>             | <b>62.2</b>      | <b>14,350</b>                                      | <b>27.4</b>          | <b>5,461</b>              | <b>10.4</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 1,334                           | 19.5                               | 1,138                    | 18.4             | 132  | 33.8                 | 64                        | 22.3         |
| Middle-income  | 5,190                           | 75.7                               | 4,735                    | 76.6             | 236  | 60.4                 | 219                       | 76.3         |
| Upper-income   | 333                             | 4.9                                | 306                      | 5.0              | 23   | 5.9                  | 4                         | 1.4          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>6,857</b>                    | <b>100.0</b>                       | <b>6,179</b>             | <b>100.0</b>     | <b>391</b>   | <b>100.0</b>         | <b>287</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>90.1</b>      |  | <b>5.7</b>           |                           | <b>4.2</b>   |

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>WILLIAMSPORT ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 1                               | 3.4                                | 911                      | 2.9              | 261  | 28.6                 | 5,895                     | 18.8         |
| Moderate-income  | 2                               | 6.9                                | 1,487                    | 4.7              | 334  | 22.5                 | 5,927                     | 18.9         |
| Middle-income  | 24                              | 82.8                               | 26,652                   | 85.1             | 2,290  | 8.6                  | 7,268                     | 23.2         |
| Upper-income   | 2                               | 6.9                                | 2,263                    | 7.2              | 54   | 2.4                  | 12,223                    | 39.0         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>29</b>                       | <b>100.0</b>                       | <b>31,313</b>            | <b>100.0</b>     | <b>2,939</b>                                       | <b>9.4</b>           | <b>31,313</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 2,425                           | 415                                | 1.3                      | 17.1             | 1,719  | 70.9                 | 291                       | 12.0         |
| Moderate-income  | 3,434                           | 1,062                              | 3.3                      | 30.9             | 1,823  | 53.1                 | 549                       | 16.0         |
| Middle-income  | 43,400                          | 28,447                             | 87.4                     | 65.5             | 9,795  | 22.6                 | 5,158                     | 11.9         |
| Upper-income   | 3,464                           | 2,616                              | 8.0                      | 75.5             | 735  | 21.2                 | 113                       | 3.3          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>52,723</b>                   | <b>32,540</b>                      | <b>100.0</b>             | <b>61.7</b>      | <b>14,072</b>                                      | <b>26.7</b>          | <b>6,111</b>              | <b>11.6</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 251                             | 3.7                                | 221                      | 3.7              | 25   | 6.5                  | 5                         | 1.6          |
| Moderate-income  | 273                             | 4.1                                | 225                      | 3.7              | 34   | 8.9                  | 14                        | 4.5          |
| Middle-income  | 5,708                           | 84.7                               | 5,141                    | 85.0             | 289  | 75.7                 | 278                       | 90.3         |
| Upper-income   | 507                             | 7.5                                | 462                      | 7.6              | 34   | 8.9                  | 11                        | 3.6          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>6,739</b>                    | <b>100.0</b>                       | <b>6,049</b>             | <b>100.0</b>     | <b>382</b>   | <b>100.0</b>         | <b>308</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>89.8</b>      |  |                      | <b>5.7</b>                | <b>4.6</b>   |

The following table details the locations of the bank's branches in the Williamsport MSA assessment area, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>WILLIAMSPORT ASSESSMENT AREA<br>2011 (DEMOGRAPHICS BASED ON 2000 CENSUS) |                    |                  |                |                    |
|--|--------------------|------------------|----------------|--------------------|
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 0              | 0                  |
| Moderate-income  | 1                  | 20               | 21,870         | 18.2               |
| Middle-income  | 4                  | 80               | 93,232         | 77.7               |
| Upper-income   | 0                  | 0                | 4,942          | 4.1                |
| <b>Totals</b>  | <b>5</b>           | <b>100%</b>      | <b>120,044</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 4,373          | 3.8                |
| Moderate-income  | 0                  | 0                | 8,339          | 7.2                |
| Middle-income  | 5                  | 100              | 95,123         | 81.9               |
| Upper-income   | 0                  | 0                | 8,276          | 7.1                |
| <b>Totals</b>  | <b>5</b>           | <b>100%</b>      | <b>116,111</b> | <b>100%</b>        |

**NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA**

This assessment area consists of the counties of Northumberland, Union and Snyder (comprising the Sunbury-Lewisburg-Selinsgrove micropolitan area) and Schuylkill County (the Pottsville micropolitan area), situated in a nonmetropolitan area of north central Pennsylvania. According to the 2000 Census, the assessment area had 77 census tracts, ten of which were moderate-income. There were no low-income tracts in this assessment area. Of the ten moderate-income tracts, five were located in Northumberland County and five were in Schuylkill County. Twelve percent of the assessment area's population resided in these moderate-income tracts.

As of the 2010 Census, the assessment area had 82 census tracts, one of which was low-income and 14 moderate-income. The one low-income tract was in Snyder County, while six moderate-income tracts were in Schuylkill County and eight were in Northumberland County. Less than one percent of the assessment area's population resided in the low-income tract and 14% resided in the moderate-income tracts.

Susquehanna's performance was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits, as of June 30, 2012, 29 depository institutions operated in this four county area, maintaining a total of 144 branches which held \$4.6 billion in deposits. Susquehanna, with 18 branches holding \$591 million in deposits, ranked second in the assessment area, or 13% of the market share. Of Susquehanna's total bank deposits, 3% were attributed to this assessment area.

Susquehanna reported 688 home-mortgage loans aggregating \$90 million and 289 small business loans aggregating \$34 million, during the evaluation period. Of the total 668 home-mortgage loans, 10% were originated in moderate-income census tracts and 37% were made to low- and moderate-income borrowers. No home-mortgage loans were originated in the one low-income census tract in 2012. Of the total 415 small business loans, 13% were originated in moderate-income tracts and 32% were made to small businesses. There were no small business loans were originated in the one low-income census tract in 2012.

During the period evaluated, Susquehanna originated two community development loans totaling \$150 thousand to support the provision of community development services in the assessment area. In addition, Susquehanna holds \$1.1 million in qualified community development investments in this assessment area. Of Susquehanna's total investments, 2% are attributed to this assessment area.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the table on the following page.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| <b>SUSQUEHANNA BANK<br/> ASSESSMENT AREA DEMOGRAPHICS<br/> NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br/> 2011</b> |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 14,523                    | 17.0         |
| Moderate-income   | 10                              | 13.0                               | 9,267                    | 10.9             | 1,312  | 14.2                 | 16,856                    | 19.8         |
| Middle-income   | 59                              | 76.6                               | 66,473                   | 78.0             | 4,487  | 6.8                  | 21,050                    | 24.7         |
| Upper-income  | 8                               | 10.4                               | 9,478                    | 11.1             | 276  | 2.9                  | 32,789                    | 38.5         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>77</b>                       | <b>100.0</b>                       | <b>85,218</b>            | <b>100.0</b>     | <b>6,075</b>                                       | <b>7.1</b>           | <b>85,218</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 19,610                          | 10,352                             | 10.8                     | 52.8             | 6,038  | 30.8                 | 3,220                     | 16.4         |
| Middle-income   | 106,466                         | 74,905                             | 78.1                     | 70.4             | 21,355   | 20.1                 | 10,206                    | 9.6          |
| Upper-income  | 14,468                          | 10,619                             | 11.1                     | 73.4             | 2,928  | 20.2                 | 921                       | 6.4          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>140,544</b>                  | <b>95,876</b>                      | <b>100.0</b>             | <b>68.2</b>      | <b>30,321</b>                                      | <b>21.6</b>          | <b>14,347</b>             | <b>10.2</b>  |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 1,736                           | 11.3                               | 1,535                    | 11.2             | 95   | 11.5                 | 106                       | 14.3         |
| Middle-income   | 11,306                          | 73.8                               | 10,150                   | 73.9             | 608  | 73.8                 | 548                       | 73.9         |
| Upper-income  | 2,268                           | 14.8                               | 2,059                    | 15.0             | 121  | 14.7                 | 88                        | 11.9         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>15,310</b>                   | <b>100.0</b>                       | <b>13,744</b>            | <b>100.0</b>     | <b>824</b>   | <b>100.0</b>         | <b>742</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>89.8</b>      |  | <b>5.4</b>           |                           | <b>4.8</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 1                               | 1.2                                | 148                      | 0.2              | 83   | 56.1                 | 16,166                    | 18.7         |
| Moderate-income  | 14                              | 17.1                               | 11,490                   | 13.3             | 1,875  | 16.3                 | 17,551                    | 20.3         |
| Middle-income  | 58                              | 70.7                               | 66,451                   | 76.8             | 5,003  | 7.5                  | 20,095                    | 23.2         |
| Upper-income   | 6                               | 7.3                                | 8,422                    | 9.7              | 410  | 4.9                  | 32,726                    | 37.8         |
| Unknown income   | 3                               | 3.7                                | 27                       | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>82</b>                       | <b>100.0</b>                       | <b>86,538</b>            | <b>100.0</b>     | <b>7,371</b>                                       | <b>8.5</b>           | <b>86,538</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 168                             | 10                                 | 0.0                      | 6.0              | 158  | 94.0                 | 0                         | 0.0          |
| Moderate-income  | 25,017                          | 12,537                             | 13.0                     | 50.1             | 7,789  | 31.1                 | 4,691                     | 18.8         |
| Middle-income  | 109,419                         | 74,832                             | 77.4                     | 68.4             | 22,276   | 20.4                 | 12,311                    | 11.3         |
| Upper-income   | 12,099                          | 9,338                              | 9.7                      | 77.2             | 1,832  | 15.1                 | 929                       | 7.7          |
| Unknown income   | 30                              | 9                                  | 0.0                      | 30.0             | 21   | 70.0                 | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>146,733</b>                  | <b>96,726</b>                      | <b>100.0</b>             | <b>65.9</b>      | <b>32,076</b>                                      | <b>21.9</b>          | <b>17,931</b>             | <b>12.2</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 9                               | 0.1                                | 8                        | 0.1              | 1  | 0.1                  | 0                         | 0.0          |
| Moderate-income  | 2,294                           | 14.9                               | 2,019                    | 14.7             | 126  | 14.9                 | 149                       | 18.3         |
| Middle-income  | 11,576                          | 75.0                               | 10,336                   | 75.0             | 628  | 74.2                 | 612                       | 75.4         |
| Upper-income   | 1,545                           | 10.0                               | 1,406                    | 10.2             | 90   | 10.6                 | 49                        | 6.0          |
| Unknown income   | 15                              | 0.1                                | 12                       | 0.1              | 1  | 0.1                  | 2                         | 0.2          |
| <b>Total Assessment Area</b>   | <b>15,439</b>                   | <b>100.0</b>                       | <b>13,781</b>            | <b>100.0</b>     | <b>846</b>   | <b>100.0</b>         | <b>812</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | 89.3             | 5.5  |                      | 5.3                       |              |

The following table details the locations of the bank's branches in North Central Pennsylvania, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA |                    |                  |                |                    |
|--|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 0              | 0                  |
| Moderate-income  | 4                  | 21               | 38,485         | 12                 |
| Middle-income  | 13                 | 68               | 249,001        | 77                 |
| Upper-income   | 2                  | 11               | 36,576         | 11                 |
| <b>Totals</b>  | <b>19</b>          | <b>100%</b>      | <b>324,062</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 1,923          | 0.6                |
| Moderate-income  | 6                  | 33               | 118,822        | 14                 |
| Middle-income  | 11                 | 61               | 274,389        | 75                 |
| Upper-income   | 1                  | 6                | 190,144        | 8                  |
| Unknown-income   | 0                  | 0                | 8,450          | 3                  |
| <b>Totals</b>  | <b>18</b>          | <b>100%</b>      | <b>647,232</b> | <b>100%</b>        |

**SCRANTON ASSESSMENT AREA**

The bank's Scranton assessment area consists of Luzerne County in northeastern Pennsylvania. According to 2000 Census data, the assessment area contains 103 census tracts, 14 of which are designated as moderate-income. Twelve percent of the assessment area population resides within these moderate-income tracts. The assessment area has no low-income census tracts. As of the 2010 Census, the assessment area contained 104 census tracts, two of which were low-income and four moderate-income. Two percent of the assessment area population resided within the low-income census tracts, and 21% of the population resided in the moderate-income tracts.

Susquehanna's performance was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits as of June 30, 2012, 19 depository institutions operated in Luzerne County, maintaining a total of 122 branches holding \$5.7 billion in deposits. Susquehanna operated just three of these branches, holding \$141 million in deposits, or 1% of the bank's total deposits. The bank ranked 12<sup>th</sup> in the assessment area, controlling 3% of the retail deposit market.

Susquehanna reported 31 home-mortgage loans aggregating \$1.8 million and 37 small business loans aggregating \$2.2 million in the assessment area during the evaluation period. Of the 31 home-mortgage loans, 13% were originated in low- and moderate-income census tracts and 45% were made to low- and moderate-income borrowers. Of the total 37 small business loans, 27% were originated in low- and moderate-income tracts and 35% were made to small businesses.

Susquehanna originated one community development loan in the Scranton assessment area during the period evaluated for \$5.7 million supporting economic development. The bank holds \$731 thousand in qualified community development investments targeting affordable housing initiatives in Luzerne County. Of Susquehanna's total current investments, 1% is attributed to this assessment area.



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

The following tables show the demographics for the Scranton assessment area.

| <b>SUSQUEHANNA BANK<br/>ASSESSMENT AREA DEMOGRAPHICS<br/>SCRANTON ASSESSMENT AREA<br/>2011</b> |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 16,438                    | 19.4         |
| Moderate-income  | 14                              | 13.6                               | 9,279                    | 11.0             | 1,607  | 17.3                 | 16,029                    | 18.9         |
| Middle-income  | 76                              | 73.8                               | 61,128                   | 72.1             | 4,731  | 7.7                  | 19,421                    | 22.9         |
| Upper-income   | 13                              | 12.6                               | 14,322                   | 16.9             | 489  | 3.4                  | 32,841                    | 38.8         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>103</b>                      | <b>100.0</b>                       | <b>84,729</b>            | <b>100.0</b>     | <b>6,827</b>                                       | <b>8.1</b>           | <b>84,729</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          |                  | Rental   |                      | Vacant                    |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 18,530                          | 8,036                              | 8.7                      | 43.4             | 8,384  | 45.2                 | 2,110                     | 11.4         |
| Middle-income  | 105,661                         | 67,708                             | 73.7                     | 64.1             | 27,214   | 25.8                 | 10,739                    | 10.2         |
| Upper-income   | 20,495                          | 16,136                             | 17.6                     | 78.7             | 3,209  | 15.7                 | 1,150                     | 5.6          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>144,686</b>                  | <b>91,880</b>                      | <b>100.0</b>             | <b>63.5</b>      | <b>38,807</b>                                      | <b>26.8</b>          | <b>13,999</b>             | <b>9.7</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 1,781                           | 10.2                               | 1,602                    | 10.3             | 98   | 9.0                  | 81                        | 10.0         |
| Middle-income  | 12,459                          | 71.5                               | 11,017                   | 71.0             | 834  | 76.7                 | 608                       | 75.4         |
| Upper-income   | 3,180                           | 18.3                               | 2,908                    | 18.7             | 155  | 14.3                 | 117                       | 14.5         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>17,420</b>                   | <b>100.0</b>                       | <b>15,527</b>            | <b>100.0</b>     | <b>1,087</b>                                       | <b>100.0</b>         | <b>806</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | 89.1             |  | 6.2                  |                           | 4.6          |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>SCRANTON ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 2                               | 1.9                                | 767                      | 0.9              | 402  | 52.4                 | 17,387                    | 20.8         |
| Moderate-income  | 23                              | 22.1                               | 16,530                   | 19.8             | 3,017  | 18.3                 | 15,377                    | 18.4         |
| Middle-income  | 63                              | 60.6                               | 51,125                   | 61.3             | 4,216  | 8.2                  | 18,287                    | 21.9         |
| Upper-income   | 15                              | 14.4                               | 15,040                   | 18.0             | 681  | 4.5                  | 32,411                    | 38.8         |
| Unknown income   | 1                               | 1.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>104</b>                      | <b>100.0</b>                       | <b>83,462</b>            | <b>100.0</b>     | <b>8,316</b>                                       | <b>100.0</b>         | <b>83,462</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 2,453                           | 302                                | 0.3                      | 12.3             | 1,721  | 70.2                 | 430                       | 17.5         |
| Moderate-income  | 32,642                          | 15,629                             | 17.1                     | 47.9             | 12,208   | 37.4                 | 4,805                     | 14.7         |
| Middle-income  | 90,007                          | 58,258                             | 63.7                     | 64.7             | 21,398   | 23.8                 | 10,351                    | 11.5         |
| Upper-income   | 23,413                          | 17,295                             | 18.9                     | 73.9             | 4,044  | 17.3                 | 2,074                     | 8.9          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>148,515</b>                  | <b>91,484</b>                      | <b>100.0</b>             | <b>61.6</b>      | <b>39,371</b>                                      | <b>26.5</b>          | <b>17,660</b>             | <b>11.9</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 652                             | 3.7                                | 528                      | 3.4              | 83   | 7.9                  | 41                        | 4.7          |
| Moderate-income  | 3,291                           | 18.9                               | 2,919                    | 18.8             | 182  | 17.4                 | 190                       | 21.9         |
| Middle-income  | 10,435                          | 59.9                               | 9,295                    | 59.9             | 625  | 59.6                 | 515                       | 59.3         |
| Upper-income   | 3,018                           | 17.3                               | 2,746                    | 17.7             | 149  | 14.2                 | 123                       | 14.2         |
| Unknown income   | 30                              | 0.2                                | 21                       | 0.1              | 9  | 0.9                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>17,426</b>                   | <b>100.0</b>                       | <b>15,509</b>            | <b>100.0</b>     | <b>1,048</b>                                       | <b>100.0</b>         | <b>869</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>89.0</b>      |  | <b>6.0</b>           |                           | <b>5.0</b>   |

The following table details the locations of the bank's branches in the Scranton assessment area, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>SCRANTON ASSESSMENT AREA |                    |                  |                |                    |
|--|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                                   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 0              | 0                  |
| Moderate-income  | 1                  | 33               | 36,615         | 11                 |
| Middle-income  | 1                  | 33               | 228,928        | 72                 |
| Upper income   | 1                  | 34               | 53,707         | 17                 |
| <b>Totals</b>  | <b>3</b>           | <b>100%</b>      | <b>319,250</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                                   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 5,386          | 2                  |
| Moderate-income  | 0                  | 0                | 67,304         | 21                 |
| Middle-income  | 2                  | 67               | 192,927        | 60                 |
| Upper-income   | 1                  | 33               | 55,296         | 17                 |
| Unknown income   | NA                 | NA               | 5              | N/A                |
| <b>Totals</b>  | <b>3</b>           | <b>100%</b>      | <b>320,918</b> | <b>100%</b>        |

**STATE COLLEGE ASSESSMENT AREA**

The State College assessment area consists of Centre County in central Pennsylvania. According to 2000 Census data, the assessment area had 29 census tracts, of which two were low-income and six were moderate-income. Both low-income tracts were located in the borough of State College. Of the six moderate-income tracts, two were located in State College and four were located in more rural parts of Centre County. Seven percent of the assessment area's population lived in the low-income census tracts and 18% resided in the moderate-income tracts.

According to the 2010 Census data, there were 31 census tracts in the assessment area. One tract was low-income and located in State College. Five tracts were moderate-income, with one located in State College and four in rural Centre County. Three percent of the assessment area's population resided in the low-income tract and 14% resided in the area's moderate-income tracts.

Susquehanna's performance was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits, as of June 30, 2012, 17 depository institutions operated in Centre County, maintaining a total of 70 branches holding \$2.5 billion in deposits. Susquehanna, with two branches, ranked tenth in the assessment area with \$79 million in deposits, comprising 1% of the bank's total deposits and over 3% of the area market share.

Susquehanna reported 81 home-mortgage loans aggregating \$26.3 million and 42 small business loans aggregating \$12.2 million, during the evaluation period. Of the total 81 home-mortgage loans, none were originated in the low-income census tract and 6% were originated in moderate-income tracts; 14% of HMDA loans were made to low- and moderate-income borrowers. Of the 42 small business loans, none were made in the low-income tract and 2% were originated in moderate-income tracts. Of the 42 small business loans made in the assessment area, 55% were made to small businesses.

During the period evaluated, Susquehanna originated one community development loan totaling \$3.1 million to finance the construction of 240 units of affordable housing in the assessment area. The high level of community development lending in the assessment area augments Susquehanna's lending performance. In addition, Susquehanna holds \$264 thousand in qualified community development investments in this assessment area. Of Susquehanna's total investments, less than 1% are attributed to this assessment area.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>STATE COLLEGE ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 2                               | 6.9                                | 277                      | 1.0              | 89   | 32.1                 | 5,174                     | 18.1         |
| Moderate-income   | 6                               | 20.7                               | 5,454                    | 19.1             | 416  | 7.6                  | 5,561                     | 19.4         |
| Middle-income   | 10                              | 34.5                               | 13,843                   | 48.4             | 860  | 6.2                  | 6,708                     | 23.4         |
| Upper-income  | 10                              | 34.5                               | 9,054                    | 31.6             | 389  | 4.3                  | 11,185                    | 39.1         |
| Unknown income  | 1                               | 3.4                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>29</b>                       | <b>100.0</b>                       | <b>28,628</b>            | <b>100.0</b>     | <b>1,754</b>                                       | <b>6.1</b>           | <b>28,628</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 2,088                           | 47                                 | 0.2                      | 2.3              | 1,982  | 94.9                 | 59                        | 2.8          |
| Moderate-income   | 11,251                          | 5,608                              | 18.9                     | 49.8             | 4,272  | 38.0                 | 1,371                     | 12.2         |
| Middle-income   | 23,264                          | 14,244                             | 48.0                     | 61.2             | 7,344  | 31.6                 | 1,676                     | 7.2          |
| Upper-income  | 16,460                          | 9,774                              | 32.9                     | 59.4             | 5,991  | 36.4                 | 695                       | 4.2          |
| Unknown income  | 98                              | 0                                  | 0.0                      | 0.0              | 61   | 62.2                 | 37                        | 37.8         |
| <b>Total Assessment Area</b>  | <b>53,161</b>                   | <b>29,673</b>                      | <b>100.0</b>             | <b>55.8</b>      | <b>19,650</b>                                      | <b>37.0</b>          | <b>3,838</b>              | <b>7.2</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 579                             | 7.0                                | 480                      | 6.4              | 47   | 10.3                 | 52                        | 16.0         |
| Moderate-income   | 1,083                           | 13.1                               | 982                      | 13.1             | 52   | 11.4                 | 49                        | 15.0         |
| Middle-income   | 3,663                           | 44.3                               | 3,329                    | 44.4             | 202  | 44.1                 | 132                       | 40.5         |
| Upper-income  | 2,891                           | 34.9                               | 2,651                    | 35.4             | 151  | 33.0                 | 89                        | 27.3         |
| Unknown income  | 59                              | 0.7                                | 49                       | 0.7              | 6  | 1.3                  | 4                         | 1.2          |
| <b>Total Assessment Area</b>  | <b>8,275</b>                    | <b>100.0</b>                       | <b>7,491</b>             | <b>100.0</b>     | <b>458</b>   | <b>100.0</b>         | <b>326</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.5</b>      |  |                      | <b>5.5</b>                | <b>3.9</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>STATE COLLEGE ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 1                               | 3.2                                | 99                       | 0.3              | 80   | 80.8                 | 5,770                     | 18.3         |
| Moderate-income   | 5                               | 16.1                               | 4,463                    | 14.1             | 455  | 10.2                 | 6,010                     | 19.0         |
| Middle-income   | 14                              | 45.2                               | 18,769                   | 59.5             | 954  | 5.1                  | 7,188                     | 22.8         |
| Upper-income  | 8                               | 25.8                               | 8,178                    | 25.9             | 364  | 4.5                  | 12,596                    | 39.9         |
| Unknown income  | 3                               | 9.7                                | 55                       | 0.2              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>31</b>                       | <b>100.0</b>                       | <b>31,564</b>            | <b>100.0</b>     | <b>1,853</b>                                       | <b>5.9</b>           | <b>31,564</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 1,896                           | 16                                 | 0.0                      | 0.8              | 1,596  | 84.2                 | 284                       | 15.0         |
| Moderate-income   | 10,281                          | 4,246                              | 12.9                     | 41.3             | 4,561  | 44.4                 | 1,474                     | 14.3         |
| Middle-income   | 34,103                          | 19,609                             | 59.4                     | 57.5             | 10,397   | 30.5                 | 4,097                     | 12.0         |
| Upper-income  | 15,415                          | 9,140                              | 27.7                     | 59.3             | 5,247  | 34.0                 | 1,028                     | 6.7          |
| Unknown income  | 204                             | 0                                  | 0.0                      | 0.0              | 159  | 77.9                 | 45                        | 22.1         |
| <b>Total Assessment Area</b>  | <b>61,899</b>                   | <b>33,011</b>                      | <b>100.0</b>             | <b>53.3</b>      | <b>21,960</b>                                      | <b>35.5</b>          | <b>6,928</b>              | <b>11.2</b>  |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 501                             | 6.1                                | 410                      | 5.6              | 40   | 8.6                  | 51                        | 14.5         |
| Moderate-income   | 907                             | 11.1                               | 821                      | 11.1             | 47   | 10.1                 | 39                        | 11.1         |
| Middle-income   | 4,248                           | 51.8                               | 3,865                    | 52.4             | 221  | 47.6                 | 162                       | 46.0         |
| Upper-income  | 2,440                           | 29.8                               | 2,202                    | 29.8             | 150  | 32.3                 | 88                        | 25.0         |
| Unknown income  | 99                              | 1.2                                | 81                       | 1.1              | 6  | 1.3                  | 12                        | 3.4          |
| <b>Total Assessment Area</b>  | <b>8,195</b>                    | <b>100.0</b>                       | <b>7,379</b>             | <b>100.0</b>     | <b>464</b>   | <b>100.0</b>         | <b>352</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.0</b>      |  |                      | <b>5.7</b>                | <b>4.3</b>   |

The following table details the locations of the bank's branches in State College, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>STATE COLLEGE ASSESSMENT AREA |                    |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 1                  | 34               | 9,926          | 7                  |
| Moderate-income   | 0                  | 0                | 23,976         | 18                 |
| Middle-income   | 1                  | 33               | 55,563         | 41                 |
| Upper-income  | 1                  | 33               | 40,881         | 30                 |
| Unknown Income  | 0                  | 0                | 5,412          | 4                  |
| <b>Totals</b>   | <b>3</b>           | <b>100%</b>      | <b>135,758</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 1                  | 34               | 4,417          | 3                  |
| Moderate-income   | 0                  | 0                | 21,260         | 14                 |
| Middle-income   | 1                  | 33               | 76,030         | 49                 |
| Upper-income  | 1                  | 33               | 37,196         | 24                 |
| Unknown Income  | 0                  | 0                | 15,087         | 10                 |
| <b>Totals</b>   | <b>3</b>           | <b>100%</b>      | <b>153,990</b> | <b>100%</b>        |

**LEBANON COUNTY ASSESSMENT AREA**

The Lebanon assessment area consists of Lebanon County in central Pennsylvania, which is adjacent to the Harrisburg-Carlisle MSA. According to the 2000 Census, the assessment area had 29 census tracts, four of which were moderate-income. There were no low-income census tracts in this assessment area. The four moderate-income tracts were all located in the city of Lebanon and 14% percent of the assessment area's population resided in these moderate-income tracts.

As of the 2010 Census, the assessment area had 31 census tracts. Four of the tracts were moderate-income and all four were located in the city of Lebanon. Twelve percent of the assessment area's population resided in the moderate-income tracts. There were no low-income census tracts in the assessment area.

Susquehanna's performance was evaluated in terms of the demographic and business context in which it operates. According to the FDIC's Summary of Deposits, as of June 30, 2012, 11 depository institutions operate in Lebanon County, maintaining a total of 45 branches holding \$1.9 billion in deposits. Susquehanna, with two branches, ranks ninth in the assessment area with \$53.9 million in deposits, comprising less than one percent of the bank's total deposits and 3% of the area market share.

Susquehanna reported 91 home-mortgage loans aggregating \$20 million and 68 small business loans aggregating \$19 million, during the evaluation period. Of the total 91 home-mortgage loans, 5% were originated in moderate-income census tracts and 21% were made to low- and moderate-income borrowers. Of the total 68 small business loans, 4% were originated in moderate-income tracts and 38% were made to small businesses.

Susquehanna originated no community development loans during the evaluation period in Lebanon County. However, Susquehanna holds \$270 thousand in qualified community development investments in this assessment area. Of Susquehanna's total investments, less than 1% are attributed to this assessment area.

The demographics used to assess the performance context in which Susquehanna operates are detailed in the following tables.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>LEBANON ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 5,492                     | 16.7         |
| Moderate-income   | 4                               | 13.8                               | 4,919                    | 15.0             | 723  | 14.7                 | 6,544                     | 19.9         |
| Middle-income   | 21                              | 72.4                               | 22,208                   | 67.5             | 932  | 4.2                  | 8,292                     | 25.2         |
| Upper-income  | 4                               | 13.8                               | 5,763                    | 17.5             | 115  | 2.0                  | 12,562                    | 38.2         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>29</b>                       | <b>100.0</b>                       | <b>32,890</b>            | <b>100.0</b>     | <b>1,770</b>                                       | <b>5.4</b>           | <b>32,890</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 8,914                           | 4,042                              | 11.9                     | 45.3             | 4,097  | 46.0                 | 775                       | 8.7          |
| Middle-income   | 32,555                          | 23,489                             | 69.4                     | 72.2             | 7,363  | 22.6                 | 1,703                     | 5.2          |
| Upper-income  | 7,851                           | 6,332                              | 18.7                     | 80.7             | 1,228  | 15.6                 | 291                       | 3.7          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>49,320</b>                   | <b>33,863</b>                      | <b>100.0</b>             | <b>68.7</b>      | <b>12,688</b>                                      | <b>25.7</b>          | <b>2,769</b>              | <b>5.6</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 889                             | 13.5                               | 791                      | 13.2             | 54   | 15.0                 | 44                        | 19.1         |
| Middle-income   | 4,457                           | 67.9                               | 4,047                    | 67.8             | 258  | 71.7                 | 152                       | 66.1         |
| Upper-income  | 1,216                           | 18.5                               | 1,134                    | 19.0             | 48   | 13.3                 | 34                        | 14.8         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>6,562</b>                    | <b>100.0</b>                       | <b>5,972</b>             | <b>100.0</b>     | <b>360</b>   | <b>100.0</b>         | <b>230</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>91.0</b>      |  |                      | <b>5.5</b>                | <b>3.5</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>LEBANON ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 6,085                     | 17.0         |
| Moderate-income   | 4                               | 12.9                               | 4,035                    | 11.3             | 966  | 23.9                 | 6,654                     | 18.6         |
| Middle-income   | 21                              | 67.7                               | 22,913                   | 64.0             | 1,252  | 5.5                  | 8,924                     | 24.9         |
| Upper-income  | 6                               | 19.4                               | 8,849                    | 24.7             | 214  | 2.4                  | 14,134                    | 39.5         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>31</b>                       | <b>100.0</b>                       | <b>35,797</b>            | <b>100.0</b>     | <b>2,432</b>                                       | <b>6.8</b>           | <b>35,797</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 6,996                           | 2,920                              | 7.6                      | 41.7             | 3,235  | 46.2                 | 841                       | 12.0         |
| Middle-income   | 35,194                          | 25,417                             | 66.1                     | 72.2             | 8,087  | 23.0                 | 1,690                     | 4.8          |
| Upper-income  | 12,683                          | 10,102                             | 26.3                     | 79.6             | 1,782  | 14.1                 | 799                       | 6.3          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>54,873</b>                   | <b>38,439</b>                      | <b>100.0</b>             | <b>70.1</b>      | <b>13,104</b>                                      | <b>23.9</b>          | <b>3,330</b>              | <b>6.1</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 428                             | 6.5                                | 377                      | 6.3              | 26   | 7.2                  | 25                        | 9.2          |
| Middle-income   | 4,585                           | 69.1                               | 4,142                    | 69.0             | 248  | 68.9                 | 195                       | 72.0         |
| Upper-income  | 1,620                           | 24.4                               | 1,483                    | 24.7             | 86   | 23.9                 | 51                        | 18.8         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>6,633</b>                    | <b>100.0</b>                       | <b>6,002</b>             | <b>100.0</b>     | <b>360</b>   | <b>100.0</b>         | <b>271</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.5</b>      |  |                      | <b>5.4</b>                | <b>4.1</b>   |

The following table details the locations of the bank's branches in Lebanon County, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>LEBANON ASSESSMENT AREA |                    |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                                  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 0                  | 0                | 0              | 0                  |
| Moderate-income   | 0                  | 0                | 19,771         | 16                 |
| Middle-income   | 1                  | 50               | 80,636         | 67                 |
| Upper-income  | 1                  | 50               | 19,920         | 17                 |
| <b>Totals</b>   | <b>2</b>           | <b>100%</b>      | <b>111,034</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                                  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 0                  | 0                | 0              | 0                  |
| Moderate-income   | 0                  | 0                | 15,425         | 12                 |
| Middle-income   | 1                  | 50               | 87,504         | 65                 |
| Upper-income  | 1                  | 50               | 30,639         | 23                 |
| <b>Totals</b>   | <b>2</b>           | <b>100%</b>      | <b>133,568</b> | <b>100%</b>        |



## STATE OF MARYLAND

### MARYLAND CRA RATING<sup>6</sup>

| Performance Test | Performance Level   |
|------------------|---------------------|
| Lending          | Low Satisfactory    |
| Investment       | High Satisfactory   |
| Service          | Outstanding         |
| <b>Overall</b>   | <b>Satisfactory</b> |

### SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include:

- The geographic distribution of loans reflects adequate penetration throughout the State of Maryland.
- The distribution of borrowers, given the product lines offered by the bank, reflects adequate penetration among retail customers of different income levels and business customers of different sizes.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- The bank is a leader in making community development loans in the State of Maryland.
- The bank has a relatively high level of qualified community development investments and grants.
- The bank provides a significant level of retail and community development services.

### SCOPE OF EXAMINATION

Susquehanna's CRA performance in Maryland was evaluated for the period from March 15, 2011 through May 6, 2013. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA, pursuant to the Interagency Procedures and Guidelines for Large Retail Institutions. Under the lending test, loan products evaluated included home-purchase and home-improvement loans and refinancing of such loans (collectively titled HMDA loans), small business and small farm loans, and other loans that qualified as community development. For purposes of evaluating the geographic distribution of loans, loans originated in 2011 were classified on the basis of 2000 U.S. Census data. Loans originated in 2012 were classified on the basis of 2010 U.S. Census data.

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<sup>6</sup> The statewide evaluation is adjusted for institutions with branches in two or more states in a multi-state metropolitan area and does not reflect performance in the parts of those states contained within the multistate metropolitan area.

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The rating for Maryland consists of the evaluation of Susquehanna's CRA performance in the following four assessment areas.

1. The Baltimore assessment area consists of Baltimore City and the Counties of Baltimore, Anne Arundel, Carroll, Harford and Howard, all located in the Baltimore-Towson MSA (Baltimore MSA).
2. The Garrett County assessment area is located in a non-metropolitan area of Maryland.
3. The Allegany County assessment area, consisting of the Maryland portion of the Cumberland MD-WV MSA.
4. The Worcester County assessment area is located in a non-metropolitan area of Maryland.

A substantial majority of Susquehanna's lending and operations in Maryland are in the Baltimore assessment area. Accordingly, a full review of the bank's performance in this assessment area was performed. Limited reviews of the bank's CRA performance were conducted for the Garrett County, Allegany County, and Worcester County assessment areas.

## **FULL REVIEW ASSESSMENT AREA CONCLUSIONS**

### **BALTIMORE ASSESSMENT AREA**

Susquehanna's Baltimore assessment area is situated in northern Maryland and consists of Baltimore City and the counties of Baltimore, Anne Arundel, Carroll, Harford, Howard, and Baltimore. According to 2000 Census data, the total population of the assessment area was 2.5 million, which was 47% of the total state population. The assessment area consisted of 615 census tracts, of which 79 were low-income and 136 were moderate-income. Of the total 215 low- and moderate-income census tracts, 160 tracts (74%) were in the city of Baltimore. Twenty nine percent of the assessment area population resided within these low- and moderate-income tracts.

According to 2010 Census data, the assessment area population rose to 2.7 million, which was 46% of the state population. The assessment area consisted of 668 census tracts, of which 100 were low-income and 147 were moderate-income. Of the total 247 low- and moderate-income census tracts, 160 tracts (65%) were in the city of Baltimore. Eighteen percent of the assessment area population resided within these low- and moderate-income tracts.

Susquehanna's performance in the Baltimore assessment area was evaluated in terms of the demographic and business context in which it operates. The assessment area is a highly competitive market with many large regional banking organizations, mortgage companies, and community banks. Based on deposits reported to the FDIC as of June 30, 2012, Susquehanna operated 23 branches in the Baltimore assessment area and these branches contained \$1.2 billion in deposits, or 9% of the bank's total deposits. Susquehanna ranks seventh in the assessment area, with 2% of the retail deposit market. Bank of America, NA holds a significant market share with 25% of deposits in the assessment area.

Susquehanna's home-mortgage lending was compared to the aggregate of all lenders in the market reporting HMDA loans. According to 2011 aggregate data, 70,232 home-mortgage loans were collectively originated by 565 institutions in the assessment area. Wells Fargo Bank, NA ranked first in the market, originating 15% of HMDA loans in the assessment area. Susquehanna is ranked 48<sup>th</sup>, with a market share of 5%.

Regarding small business lenders, 2011 aggregate CRA data shows that 110 small business loan reporters collectively originated 36,127 small business loans in the assessment area. Susquehanna ranked 17<sup>th</sup> among lenders operating in the assessment area with less than 1% of the market. Since CRA small business loan reporting includes small business loans issued by reporters under corporate credit card arrangements, the reporters with the highest rankings included large national originators. American Express Bank, FSB and Wells Fargo Bank, NA ranked first and second, with a combined 41% of the assessment area small business loans.

Discussions with community contacts located in the Baltimore assessment area indicated that local financial institutions are actively involved in the area. Credit needs in the assessment area include better access to small business credit, as well as residential-mortgage products targeted to low- and moderate-income neighborhoods and borrowers.

## **ECONOMIC CHARACTERISTICS**

The Baltimore MSA is situated in eastern Maryland and includes the city of Baltimore. Baltimore's economic recovery has continued to slow with the threat of federal fiscal austerity and a slowdown in global trade. The shrinkage in global trade has impacted the Port of Baltimore which is a significant source of jobs for the area. Leading industries in the Baltimore MSA include Federal, State, and local government, along with education and health services, and professional and business services. These industries account for more than half of the area's employed labor force.

The largest employers in the Baltimore MSA include Fort George G. Meade (military and civilian), Johns Hopkins University, the Johns Hopkins Health System, the University of Maryland, Aberdeen Proving Ground, and MedStar Health. Maryland fared well with past defense Base Realignment and Closure rounds, which sparked Federal government hiring and led to an upturn in construction due to the arrival of new military personnel.

The cost of housing in the Baltimore MSA rose over the past year for the first time since 2007. However, it remained relatively high when compared to other northeastern metropolitan areas like Philadelphia and the neighboring York-Hanover MSA in Pennsylvania. Moody's estimates the average existing home price in the Baltimore MSA was \$243,900 in 2012, compared to \$228,600 in 2011, and its peak of \$284,700, in 2007.

Weaknesses in the area's economy include the decline in old-line manufacturing, exposure to defense cuts, and above-average living and business costs. Despite these weaknesses, Baltimore still benefits from its growing cyber security industry, established and well-funded medical research centers, and strong transportation and distribution industries.

The table below presents unemployment rates for the MSA and the state.

| <b>Locations</b>     | <b>December<br/>2011</b> | <b>December<br/>2012</b> |
|----------------------|--------------------------|--------------------------|
| Anne Arundel County  | 5.9                      | 5.8                      |
| Baltimore County     | 7.1                      | 7.1                      |
| Carroll County       | 6.0                      | 5.9                      |
| Harford County       | 6.6                      | 6.7                      |
| Howard County        | 4.8                      | 4.6                      |
| Baltimore City       | 10.0                     | 9.8                      |
| Baltimore-Towson MSA | 7.0                      | 6.9                      |
| Maryland             | 6.7                      | 6.6                      |

## **HOUSING**

### **2000 Census Data**

According to the 2000 Census, the Baltimore MSA contained 1.0 million housing units, of which 62% were owner occupied and 31% were rental units. The level of owner occupancy in low-income tracts was just 28%, while rental units accounted for 51% of all housing. In moderate-income census tracts, owner occupancy was 46% and rental units accounted for 44% of housing.

Single-family units comprised 73% of total housing units, while multifamily units comprised 19% of units, two-to-four family units comprised 7%, and mobile homes 1%. The median age of the housing stock was 35 years, compared to 30 in Maryland.

Based on the 2000 Census, 32% of the MSA's housing units were valued at less than \$100 thousand, making it more affordable than Maryland overall, where 26% of housing units were valued at less than \$100 thousand. According to the 2000 census, the median housing value in the assessment area was \$132,384, which is lower than the state median housing value of \$143,300. A significant disparity existed between the median housing value in the assessment area's upper-income census tracts (\$193,911) and in the low- (\$48,576), moderate- (\$75,051) and middle-income (\$124,101) tracts.

### **2010 Census Data**

As of the 2010 Census, the Baltimore MSA contained 1.1 million housing units, of which 61% were owner-occupied and 29% were rental units. The level of owner occupancy in low-income tracts remained at 28%, while rental units accounted for 48% of all housing. In moderate-income census tracts, owner occupancy was 47% and rental units accounted for 42% of housing units. Single-family units comprised 74% of total housing units in the assessment area, while multifamily units comprised 20% of units, two-to-four family units comprised 5%, and mobile homes 1%. The median age of the housing stock increased to 40 years, compared to 37 years in the state of Maryland.

Based on 2010 Census data, only 8% of the MSA's housing units were valued at less than \$100 thousand, which makes it as affordable as the state of Maryland where 6% of housing units were valued at less than \$100 thousand. The median housing value in the MSA rose to \$300,563. A significant disparity still existed between the median housing value in the assessment area's upper-income census tracts (\$432,524) and in the low- (\$114,801), moderate- (\$175,154) and middle-income (\$280,153) tracts.

Overall, the cost of housing in the Baltimore MSA remains high and has increased significantly since the 2000 Census, limiting homeownership opportunities for low- and moderate-income families throughout the assessment area.

### **BORROWER INCOME DATA**

The percentage of low- and moderate-income families is used as a proxy to estimate demand for home-mortgage credit in the assessment area. Of the 646,579 families in the Baltimore MSA as of the 2000 Census, 21% were designated as low-income and 18% were moderate-income. Families living below the poverty level represented 7% of the total families in the assessment area. In the state of Maryland, 6% of families lived below the poverty level. According to 2000 Census data, the median family income for the MSA was \$59,188, compared to \$61,876 for the state of Maryland.

According to the 2010 Census there were 653,077 families in the MSA of which 22% were low-income and 17% were moderate-income. Families living below the poverty level represented 7% of the total families in the MSA. In the state of Maryland, 6% of families lived below the poverty line. As of the 2010 Census, median family income for the MSA has increased to \$80,782. HUD reported that the adjusted median family income for the Baltimore MSA had increased to \$85,600 in 2012.

### **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. According to 2011 business demographics, 161,545 businesses were located in the Baltimore MSA. Of these businesses, 5% were located in low-income census tracts and 15% were in moderate-income tracts. The majority of businesses were in middle- (41%) and upper-income (38%) tracts. Business demographic data also revealed that of the total businesses in the MSA, 90% were small businesses. A small business is defined as a business with gross annual revenues of \$1 million or less.

The 2012 demographics showed the number of businesses in the Baltimore MSA decreased to 143,662 businesses. Of these businesses, 8% were located in low-income census tracts and 15% were in moderate-income tracts. The majority of businesses remained in middle- (37%) and upper-income (41%) tracts. Business demographic data also revealed that of the total businesses in the MSA, 90% were small businesses.

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The demographics used in rating Susquehanna under the performance tests in the Baltimore assessment area are detailed in the following tables.

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>BALTIMORE ASSESSMENT AREA<br>2011 |                                 |                                    |                          |              |  |              |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |              | Families < Poverty Level as % of Families by Tract |              | Families by Family Income |              |
|   | #                               | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income  | 79                              | 12.8                               | 51,819                   | 8.0          | 17,114   | 33.0         | 132,417                   | 20.5         |
| Moderate-income   | 136                             | 22.1                               | 124,342                  | 19.2         | 14,983   | 12.0         | 114,643                   | 17.7         |
| Middle-income   | 239                             | 38.9                               | 256,115                  | 39.6         | 10,423   | 4.1          | 144,955                   | 22.4         |
| Upper-income  | 156                             | 25.4                               | 214,303                  | 33.1         | 4,018  | 1.9          | 254,564                   | 39.4         |
| Unknown income  | 5                               | 0.8                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>615</b>                      | <b>100.0</b>                       | <b>646,579</b>           | <b>100.0</b> | <b>46,538</b>                                      | <b>7.2</b>   | <b>646,579</b>            | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |              |  |              |                           |              |
|   |                                 | Owner-occupied                     |                          |              | Rental   |              | Vacant                    |              |
|   | #                               | #                                  | %                        | %            | #  | %            | #                         | %            |
| Low-income  | 105,275                         | 29,684                             | 4.6                      | 28.2         | 54,073   | 51.4         | 21,518                    | 20.4         |
| Moderate-income   | 224,159                         | 103,948                            | 16.3                     | 46.4         | 99,353   | 44.3         | 20,858                    | 9.3          |
| Middle-income   | 406,426                         | 268,879                            | 42.1                     | 66.2         | 117,311  | 28.9         | 20,236                    | 5.0          |
| Upper-income  | 295,501                         | 236,434                            | 37.0                     | 80.0         | 49,063   | 16.6         | 10,004                    | 3.4          |
| Unknown income  | 11                              | 0                                  | 0.0                      | 0.0          | 11   | 100.0        | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>1,031,372</b>                | <b>638,945</b>                     | <b>100.0</b>             | <b>62.0</b>  | <b>319,811</b>                                     | <b>31.0</b>  | <b>72,616</b>             | <b>7.0</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |              |  |              |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          |              | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|   | #                               | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income  | 8,075                           | 5.0                                | 7,172                    | 4.9          | 502  | 5.0          | 401                       | 6.9          |
| Moderate-income   | 24,859                          | 15.4                               | 22,018                   | 15.1         | 1,701  | 16.9         | 1,140                     | 19.6         |
| Middle-income   | 66,489                          | 41.2                               | 59,496                   | 40.8         | 4,528  | 44.9         | 2,465                     | 42.4         |
| Upper-income  | 62,072                          | 38.4                               | 56,941                   | 39.1         | 3,333  | 33.1         | 1,798                     | 31.0         |
| Unknown income  | 0                               | 0.0                                | 31                       | 0.0          | 14   | 0.1          | 5                         | 0.1          |
| <b>Total Assessment Area</b>  | <b>161,545</b>                  | <b>100.0</b>                       | <b>15,658</b>            | <b>100.0</b> | <b>10,078</b>                                      | <b>100.0</b> | <b>5,809</b>              | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.2</b>  |  |              | <b>6.2</b>                | <b>3.6</b>   |

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>BALTIMORE ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 100                             | 15.0                               | 61,628                   | 9.4              | 15,952   | 25.9                 | 140,695                   | 21.5         |
| Moderate-income   | 147                             | 22.0                               | 126,801                  | 19.4             | 12,791   | 10.1                 | 113,081                   | 17.3         |
| Middle-income   | 218                             | 32.6                               | 233,489                  | 35.8             | 9,575  | 4.1                  | 136,487                   | 20.9         |
| Upper-income  | 195                             | 29.2                               | 231,159                  | 35.4             | 4,788  | 2.1                  | 262,814                   | 40.2         |
| Unknown income  | 8                               | 1.2                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>668</b>                      | <b>100.0</b>                       | <b>653,077</b>           | <b>100.0</b>     | <b>43,106</b>                                      | <b>6.6</b>           | <b>653,077</b>            | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 139,592                         | 39,063                             | 5.8                      | 28.0             | 66,993   | 48.0                 | 33,536                    | 24.0         |
| Moderate-income   | 244,207                         | 115,002                            | 17.0                     | 47.1             | 101,927  | 41.7                 | 27,278                    | 11.2         |
| Middle-income   | 380,385                         | 258,673                            | 38.2                     | 68.0             | 96,960   | 25.5                 | 24,752                    | 6.5          |
| Upper-income  | 338,925                         | 265,067                            | 39.1                     | 78.2             | 57,301   | 16.9                 | 16,557                    | 4.9          |
| Unknown income  | 59                              | 43                                 | 0.0                      | 72.9             | 8  | 13.6                 | 8                         | 13.6         |
| <b>Total Assessment Area</b>  | <b>1,103,168</b>                | <b>677,848</b>                     | <b>100.0</b>             | <b>61.4</b>      | <b>323,189</b>                                     | <b>29.3</b>          | <b>102,131</b>            | <b>9.3</b>   |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 10,868                          | 7.6                                | 9,615                    | 7.5              | 662  | 7.2                  | 591                       | 10.9         |
| Moderate-income   | 21,386                          | 14.9                               | 19,039                   | 14.8             | 1,336  | 14.5                 | 1,011                     | 18.7         |
| Middle-income   | 52,578                          | 36.6                               | 46,880                   | 36.3             | 3,637  | 39.4                 | 2,061                     | 38.0         |
| Upper-income  | 58,552                          | 40.8                               | 53,291                   | 41.3             | 3,525  | 38.2                 | 1,736                     | 32.0         |
| Unknown income  | 278                             | 0.2                                | 194                      | 0.2              | 65   | 0.7                  | 19                        | 0.4          |
| <b>Total Assessment Area</b>  | <b>143,662</b>                  | <b>100.0</b>                       | <b>129,019</b>           | <b>100.0</b>     | <b>9,225</b>                                       | <b>100.0</b>         | <b>5,418</b>              | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>89.8</b>      |  |                      | <b>6.4</b>                | <b>3.8</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is assessed as low satisfactory in the bank's Baltimore assessment area.

**Geographic Distribution of Lending**

Analysis of the geographic distribution of loans in the bank's Baltimore assessment area reflects adequate penetration, including low- and moderate-income census tracts.

**Home Mortgage Lending**

Susquehanna originated 897 home-mortgage loans, aggregating \$415.6 million, in the assessment area during the evaluation period. As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential-mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

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**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
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According to 2000 Census data, just 5% of owner-occupied housing units were located in low-income census tracts in the Baltimore assessment area, and 16% of units were in moderate-income tracts. As of the 2010 Census data, 6% of owner-occupied housing units were in low-income census tracts and 17% of units were in moderate-income tracts.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012 in comparison to applicable owner-occupied housing proxies and available aggregate lending levels in the Baltimore assessment area.

| <b>SUSQUEHANNA BANK<br/>BALTIMORE ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL</b> |                                      |                                      |                       |                     |                       |
|---|--------------------------------------|--------------------------------------|-----------------------|---------------------|-----------------------|
| Income Level  | % Owner-occupied Units (2000 Census) | % Owner-occupied Units (2010 Census) | Aggregate Comparison  |                     |                       |
|   |                                      |                                      | 2011                  |                     | 2012*                 |
|   |                                      |                                      | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 5                                    | 6                                    | 3                     | 2                   | 2                     |
| Moderate  | 16                                   | 17                                   | 5                     | 10                  | 7                     |
| Middle  | 42                                   | 38                                   | 33                    | 40                  | 30                    |
| Upper   | 37                                   | 39                                   | 59                    | 48                  | 61                    |
| Unknown   | 0                                    | 0                                    | 0                     | 0                   | 0                     |
| <b>Total</b>  | <b>100%</b>                          | <b>100%</b>                          | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

Based on aggregate lending levels, lending opportunities in the assessment area’s low-income census tracts, during 2011 and 2012, appear limited. Because of such limited lending opportunities, Susquehanna’s HMDA lending in low-income census tracts was considered good. Over the evaluation period, neither Susquehanna, nor aggregate lenders made a significant number of home-mortgage loans in low-income census tracts.

### **2000 Census Data**

In 2011, Susquehanna made 3% of its HMDA loans in low-income census tracts. The bank’s lending level, although below the applicable owner-occupied housing proxy of 5%, was above the 2011 aggregate HMDA lending level of 2% of loans.

In 2011, Susquehanna made 2% of its home-purchase loans and 1% of its refinance loans in low-income tracts. The bank made no home-improvement loans in low-income tracts. By comparison, Susquehanna’s lending levels equaled 2011 aggregate lending levels of 2% for home-purchase loans and 1% for refinance loans, but were below the 3% level of all home-improvement loans made in low-income tracts. Aggregate 2011 loan data also shows 2% of all loans to finance multifamily housing were made in low-income tracts, compared to no such loans for Susquehanna.



### **2010 Census Data**

In 2012, Susquehanna made 2% of its HMDA loans in low-income census tracts. The bank's lending level was again below the applicable owner-occupied housing proxy of 6%. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

In 2012, Susquehanna made 2% of its home-purchase loans, 2% of its refinance loans, and 7% of its home-improvement loans in low-income tracts. The bank made no loans to finance multifamily housing in low-income tracts.

### **Lending in Moderate-Income Census Tracts**

#### **2000 Census Data**

In 2011, the bank made 5% of its HMDA loans in moderate-income census tracts, which was below both the applicable owner-occupied housing proxy of 16% and the 2011 aggregate HMDA lending level of 10%.

In 2011, Susquehanna made 6% of its home-purchase loans, 1% of its refinance loans, and 12% of its home-improvement loans in moderate-income tracts. By comparison, the bank's lending levels were below 2011 aggregate lending levels of 13% for home-purchase loans, 8% for refinance loans, and 13% for home-improvement loans. Susquehanna's level of loans to finance multifamily housing in moderate-income tracts in 2011 was 20%, less than the aggregate level of 30% for all such loans.

#### **2010 Census Data**

In 2012, the bank made 7% of its HMDA loans in moderate-income census tracts, which was below the applicable owner-occupied housing proxy of 17% in moderate-income tracts. In 2012, Susquehanna made 9% of its home-purchase loans, 4% of its refinance loans, and 4% of its home-improvement loans in moderate-income tracts. Aggregate 2012 HMDA data were not available at the time of the evaluation for review or comparison.

The geographic distribution of home-mortgage loans reflects adequate dispersion throughout the assessment area, taking into consideration the bank's increased lending volume in the assessment area, aggregate lending levels and patterns, and assessment area demographics. Examiners noted that Susquehanna's HMDA lending in low- and moderate-income tracts more than doubled in 2012, compared to 2011 lending, in the Baltimore assessment area. The bank's lending increased 82%, while its lending in low- and moderate-income tracts increased 186%, over the 2011 level.

### **Small Business Lending**

The geographic distribution of Susquehanna's small business loans reflects good penetration throughout the Baltimore assessment area, in context of the economic characteristics during the evaluation period.

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Susquehanna originated 453 small business loans in the assessment area, in an aggregate amount of \$116 million, during the period evaluated. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract. Business demographics showed a total of 161,345 businesses operating in the Baltimore assessment area in 2011. In 2012, the number of businesses had decreased to 143,662.

The following table shows a comparison of Susquehanna’s lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

| <b>SUSQUEHANNA BANK<br/>BALTIMORE ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS</b> |  |  |                                      |                                    |                                      |
|---|--|--|--------------------------------------|------------------------------------|--------------------------------------|
| <b>Census<br/>Tract Type</b>  | <b>%<br/>Businesses by<br/>Tract Type<br/>(2011)</b> | <b>%<br/>Businesses by<br/>Tract Type<br/>(2012)</b> | <b>Aggregate Comparison</b>          |                                    |                                      |
|   |  |  | <b>2011</b>                          |                                    | <b>2012*</b>                         |
|   |  |  | <b>%<br/>Susquehanna<br/>Lending</b> | <b>%<br/>Aggregate<br/>Lending</b> | <b>%<br/>Susquehanna<br/>Lending</b> |
| Low   | 5  | 8  | 2                                    | 3                                  | 3                                    |
| Moderate  | 15   | 15   | 13                                   | 11                                 | 15                                   |
| Middle  | 41   | 36   | 46                                   | 41                                 | 35                                   |
| Upper   | 39   | 41   | 39                                   | 44                                 | 47                                   |
| Unknown   | 0  | 0  | 0                                    | 1                                  | 0                                    |
| <b>Total</b>  | <b>100%</b>  | <b>100%</b>  | <b>100%</b>                          | <b>100%</b>                        | <b>100%</b>                          |

\*2012 aggregate loan data is not yet available.

### **Lending in Low-Income Census Tracts**

In 2011, Susquehanna originated 2% of its small business loans in the assessment area’s low-income census tracts, which was below the applicable loan demand proxy of 5% of businesses and below the 2011 aggregate lending level of 3%. In 2012, Susquehanna’s lending level in low-income tracts increased slightly to 3%.

### **Lending in Moderate-Income Census Tracts**

Susquehanna’s 2011 lending level of 13% in moderate-income census tracts was below the applicable business proxy of 15%, but above the 2011 aggregate level of 11% in such tracts. The bank’s lending level in moderate-income tracts increased to 15% in 2012, which was equal to the applicable business proxy of 15%.

In evaluating Susquehanna’s small business lending levels in low- and moderate-income tracts, consideration is given to the bank’s increased lending volume in the assessment area and aggregate lending levels. In the Baltimore assessment area, the bank’s total small business lending increased 17%, while its lending in low- and moderate-income tracts increased 43%, over the 2011 level.

**Distribution of Loans by Borrower Income Level and Revenue Size of Business**

Given the Baltimore assessment area’s demographic and economic characteristics, the distribution of Susquehanna’s borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes.

**Home Mortgage Lending**

Susquehanna’s distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, reflects adequate penetration in the assessment area.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, 21% of assessment area families were low-income and 18% were moderate-income when using 2000 Census data. According to the 2010 Census, 22% of families were low-income and 17% were moderate income. Stated another way, nearly 40% of the families in the Baltimore assessment area were designated as low- or moderate-income. Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area.

During the evaluation period, the bank reported 897 HMDA loans in the Baltimore assessment area, in an aggregate amount of \$415.6 million. The following table compares Susquehanna’s lending to aggregate 2011 lending levels, using median family income as a proxy for loan demand.

| <b>SUSQUEHANNA BANK<br/>BALTIMORE ASSESSMENT AREA<br/>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL</b> |   |   |                              |                            |                              |
|---|---|---|------------------------------|----------------------------|------------------------------|
| <b>Income Level</b>   | <b>% Families by Income Level (2000 Census)</b> | <b>% Families by Income Level (2010 Census)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|   |   |   | <b>2011</b>                  |                            | <b>2012*</b>                 |
|   |   |   | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low   | 21  | 22  | 6                            | 7                          | 6                            |
| Moderate  | 18  | 17  | 11                           | 17                         | 14                           |
| Middle  | 22  | 21  | 15                           | 20                         | 17                           |
| Upper   | 39  | 40  | 61                           | 38                         | 57                           |
| Unknown   | 0   | 0   | 7                            | 18                         | 6                            |
| <b>Total</b>  | <b>100%</b>                                     | <b>100%</b>                                     | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

### **Lending to Low-Income Borrowers**

Based on aggregate lending levels, opportunities to lend to the assessment area's low-income borrowers, during 2011 and 2012, appear limited. Because of such limited lending opportunities, Susquehanna's HMDA lending to low-income borrowers was considered adequate. Over the evaluation period, neither Susquehanna, nor aggregate lenders made a significant number of home-mortgage loans to low-income borrowers.

#### **2000 Census Data**

In 2011, 6% of the bank's home-mortgage loans were to low-income borrowers in the assessment area, well below the applicable proxy of 21% of low-income families, but proximate to the 2011 aggregate HMDA lending level of 7%.

In 2011, Susquehanna originated 6% of its home-purchase loans, 7% of its refinance loans, and 6% of its home-improvement loans to low-income borrowers. The bank's lending was below the 2011 aggregate lending levels to low-income borrowers of 10% for all home-purchase loans and 13% for all home-improvement loans, but bank lending was above the aggregate lending level of 5% for all refinance loans.

#### **2010 Census Data**

In 2012, the bank's lending level to low-income borrowers remained at 6%, compared to the applicable proxy of 22% of low-income borrowers. The bank originated 5% of its home-purchase loans, 5% of its refinance loans, and 19% of its home-improvement loans to low-income borrowers. Aggregate 2012 loan data was not available at the time of the evaluation for comparison.

In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration that the home-mortgage credit needs of such individuals and families can be a challenge to address, presenting a significant obstacle to homeownership. Forty-eight percent of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. Also, housing in the Baltimore assessment area is comparatively expensive. The considerable disparity between incomes and housing costs make homeownership difficult for low-income families.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals in the assessment area, Susquehanna's overall level of HMDA loans to moderate-income borrowers was higher than its level of HMDA loans to low-income borrowers.

### **2000 Census Data**

In 2011, 11% of Susquehanna's HMDA loans were to moderate-income borrowers, compared to a loan demand proxy of 18% of moderate-income families and an aggregate HMDA lending level of 17% of loans. Although less than the 2011 aggregate lending level, the bank's 2011 lending level to moderate-income borrowers is not as far from the applicable proxy, as the bank's 2011 lending level to low-income families is from the applicable proxy.

In 2011, the bank made 10% of its home-purchase loans, 9% of its refinance loans, and 41% of its home-improvement loans to moderate-income borrowers in the assessment area. Susquehanna's lending level was below the 2011 aggregate lending levels of 24% for home-purchase loans and 13% for refinance loans, but well above the aggregate lending level of 20% for home-improvement loans. Susquehanna's lending to moderate-income borrowers appeared to address the need for home-improvement loans for older housing stock, particularly in the city of Baltimore.

### **2010 Census Data**

The bank's 2012 lending level to moderate-income borrowers increased to 14% of loans, compared to a loan demand proxy of 17% of moderate-income families. By product type in 2012, Susquehanna made 16% of its home-purchase loans, 12% of its refinance loans, and 4% of its home-improvement loans to moderate-income borrowers in 2012. Aggregate 2012 HMDA loan data were not available at the time of the evaluation for review or comparison.

The bank's lending to moderate-income borrowers is considered adequate given the demographics of the assessment area, especially the high cost of housing in the Baltimore area which is a significant obstacle to homeownership for both low- and moderate-income families. Using innovative and flexible lending programs which address the credit needs of low- and moderate-income individuals, families, and households, Susquehanna enhanced its home-mortgage lending among low- and moderate-income borrowers in the assessment area.

The bank developed a proprietary residential-mortgage loan product specifically for low- and moderate-income borrowers. During the evaluation period, the bank originated 91 loans, aggregating \$16.9 million, in the assessment areas. The product allows for flexible underwriting standards and below market interest rates with no private mortgage insurance requirements.

Healthy Neighborhoods, Inc., a non-profit affordable housing group, operates a loan program that supports the acquisition or rehabilitation of owner-occupied homes on targeted blocks in ten low- and moderate-income neighborhoods in Baltimore. The loan program offers flexible terms, (including discounted interest rates and high loan-to-value ratios) on home-purchase, home-improvement and refinance loans. During the evaluation period, Susquehanna originated 239 loans totaling \$11.6 million, under this program in the Baltimore assessment area.

Susquehanna was also a leader in making community development loans in the Baltimore assessment area and provided community services which supported affordable housing in the assessment area. See the Community Development Lending section of this Lending Test and the Service Test for additional details.

### **Lending to Businesses of Different Sizes**

Susquehanna's distribution of loans to businesses reflects adequate penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the Baltimore assessment area was used as a proxy to estimate demand for small business credit in the assessment area. According to available business data, in 2011, there were 161,545 businesses operating in the Baltimore assessment area, with 90% designated as small businesses or reporting revenues of less than \$1 million. In 2012, the number of businesses decreased to 143,662, with 90% designated as small businesses.

In 2011, Susquehanna originated 209 small business loans, aggregating \$56.2 million, 44% of which were originated to small businesses. Aggregate data for 2011 show that 43% of all small business loans made in the assessment area in 2011 were originated to small businesses. Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses. In 2011, 37% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less. Aggregate 2011 data show that 93% of all small business loans made in the assessment area were originated in amounts of \$100 thousand or less.

In 2012, Susquehanna originated 244 small business loans, aggregating \$59.5 million, 55% of which were originated to small businesses. In addition, in 2012, 45% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less.

In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the Baltimore assessment area, American Express Bank, FSB accounted for 30% of all small business loans in 2011.

To further expand its small business lending in the Baltimore assessment area, Susquehanna is a stockholder in the Carroll County Development Corporation (CCDC), a non-profit community financial development corporation dedicated to improving economic conditions in Carroll County. The CCDC provides start-up or growth financing to small businesses not served by mainstream lenders.

Susquehanna's use of innovative and flexible lending programs help address the specific credit needs of small businesses and enhance the bank's small business lending profile. In addition to its small business lending, the bank provided 377 small business leases, aggregating \$18 million, in Maryland, during the examination period.

### **Community Development Lending**

Susquehanna is a leader in making community development loans in the Baltimore assessment area. During the time period evaluated, the bank originated five community development loans totaling \$10.8 million. Three of the loans, aggregating \$8 million, supported affordable housing initiatives and two loans, totaling \$2.8 million, supported the provision of community development services.

### **Responsiveness to Credit Needs**

Susquehanna exhibits a good record of serving the credit needs of the most economically disadvantaged areas of this assessment area, including low-income borrowers and very small businesses, consistent with safe and sound banking practices. The bank achieved this record primarily through its community development lending and the use of innovative and flexible lending practices in order to serve assessment area credit needs.

## **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals. The test also considers the innovativeness and complexity of these investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is high satisfactory in the Baltimore assessment area. Of Susquehanna's total current investments, \$5.8 million, or 9% were attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants in the Baltimore assessment area. Overall, investments aggregate \$5.8 million and almost exclusively support affordable housing.

Of the bank's investments, \$5 million are targeted mortgage-backed securities containing residential-mortgage loans originated to low- and moderate-income borrowers, or inside low- and moderate-income census tracts. In addition, Susquehanna holds \$627 thousand in low-income housing tax credits. This program allows the bank to make investments in affordable housing projects.

The bank also made grants and contributions to various organizations that routinely provide affordable housing and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$100 thousand in qualified grants and donations that benefited the Baltimore assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. The largest portion of the bank's investments support affordable housing in an area with high housing costs and a significant number of low- and moderate-income families.

### **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank's performance under the service test is assessed as outstanding in the Baltimore assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are accessible to essentially all portions of the assessment area. In 2011, Susquehanna operated 20 branches in the assessment area with two of those branches, or 10%, located in low- or moderate-income census tracts. By comparison, 29% of the assessment area population resided in the low- and moderate-income tracts.

In 2012, Susquehanna operated 22 branches in the assessment area, with five of the branches, or 23%, located in low- or moderate-income census tracts. By comparison, 32% of the assessment area population resided in the low- and moderate-income tracts. The majority of the bank's branches were located in middle-income census tracts and two of those branches were adjacent to moderate-income tracts, making them accessible to customers in moderate-income areas.



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The following table details the locations of the bank's branches and the population served.

| <b>SUSQUEHANNA BANK<br/>RETAIL BRANCH DISTRIBUTION<br/>BALTIMORE ASSESSMENT AREA</b> |                           |                         |                   |                           |
|--|---------------------------|-------------------------|-------------------|---------------------------|
| <b>2011 (Demographics based on 2000 Census)</b>                                      |                           |                         |                   |                           |
| <b>Census Tract Type</b>   | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income   | 0                         | 0                       | 227,828           | 9                         |
| Moderate-income  | 2                         | 10                      | 508,202           | 20                        |
| Middle-income  | 11                        | 55                      | 991,543           | 39                        |
| Upper-income   | 7                         | 35                      | 774,621           | 31                        |
| Unknown-income   | NA                        | N/A                     | 10,237            | 0                         |
| <b>Totals</b>  | <b>20</b>                 | <b>100%</b>             | <b>2,512,431</b>  | <b>100%</b>               |
| <b>2012 (Demographics based on 2010 Census)</b>                                      |                           |                         |                   |                           |
| <b>Census Tract Type</b>   | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income   | 1                         | 5                       | 287,685           | 11                        |
| Moderate-income  | 4                         | 18                      | 557,923           | 21                        |
| Middle-income  | 7                         | 32                      | 925,504           | 35                        |
| Upper-income   | 10                        | 45                      | 877,779           | 33                        |
| Unknown-income   | NA                        | N/A                     | 13,800            | 1                         |
| <b>Totals</b>  | <b>22</b>                 | <b>100%</b>             | <b>2,662,691</b>  | <b>100%</b>               |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers \$3.00 per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

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*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

**Changes in Branch Location**

To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low-income census tracts and to low- and moderate-income individuals. During the evaluation period, Susquehanna opened three branches in the Baltimore assessment area. One of the branches is located in a low-income tract. The bank also closed two branches, one of which was located in a moderate-income tract two miles from the bank's existing Federal Hill Office. Further, as a result of 2010 Census changes, two middle-income tracts are now considered moderate-income branches.

| Action | Census Tract      | Street                   | City        | State |
|--------|-------------------|--------------------------|-------------|-------|
| Opened | Low -income       | 1525 Towncenter Place    | Pikesville  | MD    |
| Opened | Upper -income     | 215 Key Highway          | Baltimore   | MD    |
| Opened | Upper -income     | 203 International Drive, | Hunt Valley | MD    |
| Closed | Moderate - Income | 22 Light Street          | Baltimore   | MD    |
| Closed | Upper -income     | 530 E Ridgeville Blvd    | Mount Airy  | MD    |

**Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches.

**Community Development Services**

Susquehanna is a leader in providing community development services in the Baltimore assessment area. Twelve bank officers and employees participate in twelve community development activities or programs. Notable organizations include:

- HARBEL Housing Partnership provides pre-purchase homebuyer workshops and credit and budget counseling.
- Maryland Council of Economic Education, a teacher training program, focuses on increasing the quantity and improving the quality of economic and financial education.
- Baltimore County Chamber of Commerce promotes businesses in Baltimore County.
- JA BizTown, run by Junior Achievement of Central Maryland, teaches personal finance to primarily low- and moderate-income students.
- Advocates for Children and Youth, an independent nonprofit, promote the interests of children in Maryland.
- Habitat for Humanity, a nonprofit organization, provides affordable housing to low- and moderate-income families.

- Human Services Programs of Carroll County provides assistance to area homeless shelters.
- Hartford County Chamber of Commerce, promotes small business development and education in the county.

## **LIMITED REVIEW ASSESSMENT AREA CONCLUSIONS**

Limited reviews of Susquehanna's CRA performance were conducted in the Allegany County, Worcester County, and Garrett County assessment areas in Maryland. While a full review was conducted and greater weight was given to the bank's performance in the Baltimore assessment area, bank performance in the limited review assessment areas was determined to be consistent overall with the performance in the full review assessment area. Facts and data reviewed, including performance and demographic information, are provided in the evaluation.

Conclusions regarding performance, which did not impact the overall institution rating, are as follows:

| <b>Assessment Area</b>                                       | <b>Lending Test</b> | <b>Investment Test</b> | <b>Service Test</b> |
|--|---------------------|------------------------|---------------------|
| Allegany County (Cumberland MSA)                             | Consistent          | Consistent             | Exceeds             |
| Worcester County (Ocean Pines micropolitan statistical area) | Consistent          | Consistent             | Consistent          |
| Garrett County   | Consistent          | Consistent             | Consistent          |

### **ALLEGANY COUNTY ASSESSMENT AREA**

Situated in northwestern Maryland, the Cumberland MSA consists of Allegany County in Maryland and Mineral County in West Virginia. Susquehanna's assessment area includes only Allegany County, MD, which, according to 2000 Census data, consisted of 23 census tracts, two of which were designated as moderate-income. Both moderate-income tracts were located in the city of Cumberland. The 2010 Census data show that Allegany County again consisted of 23 census tracts, two of which were moderate-income and located in the city of Cumberland. According to 2000 and 2010 Census data, there were no low-income census tracts in the Allegany County assessment area.

According to the FDIC's Summary of Deposits, as of June 30, 2012, there were just five depository institutions operating in Allegany County. These institutions maintained a total of 20 branches holding \$670 million in deposits. Susquehanna, with five branches in the assessment area, ranked first, with \$296 million and 44% of the retail deposit market. Manufacturers and Traders Trust Company Bank, headquartered in Buffalo, NY, ranked 2<sup>nd</sup>, with 24% of area deposits. Of Susquehanna's total bank deposits, 2% are attributed to the Allegany County assessment area.

Susquehanna reported just 43 home-mortgage loans aggregating \$3.3 million and 75 small business loans aggregating \$11.0 million, during the evaluation period in the Allegany County assessment area. Of the total 43 home-mortgage loans, 12% were originated in moderate-income census tracts and 28% were made to low- and moderate-income borrowers. Of the total 75 small business loans, 8% were originated in moderate-income census tracts and 27% were made to small businesses.

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During the evaluation period, Susquehanna made one community development loan, totaling \$50 thousand, to the Downtown Cumberland Revolving Loan Fund, which supported economic development in Allegany County. In addition, the bank has \$1.2 million in qualified investments in the county. These investments support both the provision of community services and affordable housing. Of Susquehanna's total current investments, 2% are attributed to this assessment area.

The following tables show the demographics for Allegany County in 2011 and 2012.

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>ALLEGANY COUNTY ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 3,418                     | 18.0         |
| Moderate-income   | 2                               | 8.7                                | 1,547                    | 8.1              | 323  | 20.9                 | 3,610                     | 19.0         |
| Middle-income   | 17                              | 73.9                               | 13,236                   | 69.6             | 1,357  | 10.3                 | 4,443                     | 23.4         |
| Upper-income  | 4                               | 17.4                               | 4,227                    | 22.2             | 169  | 4.0                  | 7,539                     | 39.7         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>23</b>                       | <b>100.0</b>                       | <b>19,010</b>            | <b>100.0</b>     | <b>1,849</b>                                       | <b>9.7</b>           | <b>19,010</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          |                  | Rental   |                      | Vacant                    |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 3,102                           | 1,465                              | 7.1                      | 47.2             | 1,167  | 37.6                 | 470                       | 15.2         |
| Middle-income   | 23,392                          | 14,290                             | 69.5                     | 61.1             | 6,390  | 27.3                 | 2,712                     | 11.6         |
| Upper-income  | 6,490                           | 4,814                              | 23.4                     | 74.2             | 1,196  | 18.4                 | 480                       | 7.4          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>32,984</b>                   | <b>20,569</b>                      | <b>100.0</b>             | <b>62.4</b>      | <b>8,753</b>                                       | <b>26.4</b>          | <b>3,662</b>              | <b>11.1</b>  |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 266                             | 7.0                                | 234                      | 6.8              | 17   | 8.8                  | 15                        | 8.5          |
| Middle-income   | 2,647                           | 69.7                               | 2,407                    | 70.3             | 118  | 60.8                 | 122                       | 69.3         |
| Upper-income  | 882                             | 23.2                               | 784                      | 22.9             | 59   | 30.4                 | 39                        | 22.2         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>3,795</b>                    | <b>100.0</b>                       | <b>3,425</b>             | <b>100.0</b>     | <b>194</b>   | <b>100.0</b>         | <b>176</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.3</b>      |  |                      | <b>5.1</b>                | <b>4.6</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>ALLEGANY COUNTY ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 3,295                     | 18.6         |
| Moderate-income   | 2                               | 8.7                                | 1,489                    | 8.4              | 227  | 15.2                 | 3,393                     | 19.1         |
| Middle-income   | 18                              | 78.3                               | 13,729                   | 77.4             | 1,381  | 10.1                 | 3,709                     | 20.9         |
| Upper-income  | 3                               | 13.0                               | 2,516                    | 14.2             | 99   | 3.9                  | 7,337                     | 41.4         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>23</b>                       | <b>100.0</b>                       | <b>17,734</b>            | <b>100.0</b>     | <b>1,707</b>                                       | <b>9.6</b>           | <b>17,734</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 3,343                           | 1,463                              | 7.2                      | 43.8             | 1,482  | 44.3                 | 398                       | 11.9         |
| Middle-income   | 25,750                          | 15,621                             | 76.7                     | 60.7             | 6,376  | 24.8                 | 3,753                     | 14.6         |
| Upper-income  | 4,163                           | 3,287                              | 16.1                     | 79.0             | 548  | 13.2                 | 328                       | 7.9          |
| Unknown income  | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>33,256</b>                   | <b>20,371</b>                      | <b>100.0</b>             | <b>61.3</b>      | <b>8,406</b>                                       | <b>25.3</b>          | <b>4,479</b>              | <b>13.5</b>  |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income   | 460                             | 13.4                               | 405                      | 13.0             | 34   | 20.1                 | 21                        | 14.2         |
| Middle-income   | 2,504                           | 72.7                               | 2,288                    | 73.2             | 106  | 62.7                 | 110                       | 74.3         |
| Upper-income  | 478                             | 13.9                               | 432                      | 13.8             | 29   | 17.2                 | 17                        | 11.5         |
| Unknown income  | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>3,442</b>                    | <b>100.0</b>                       | <b>3,125</b>             | <b>100.0</b>     | <b>169</b>   | <b>100.0</b>         | <b>148</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.8</b>      |  |                      | <b>4.9</b>                | <b>4.3</b>   |

The following table shows Susquehanna's branch distribution by population level.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>ALLEGANY COUNTY ASSESSMENT AREA<br>2011 (Demographics based on 2000 Census) |                    |                  |               |                    |
|---|--------------------|------------------|---------------|--------------------|
| Census Tract Type   | Number of Branches | Percent Branches | Population    | Percent Population |
| Low-income  | 0                  | 0                | 0             | 0                  |
| Moderate-income   | 1                  | 14               | 6,053         | 8                  |
| Middle-income   | 4                  | 57               | 54,261        | 72                 |
| Upper-income  | 2                  | 29               | 14,616        | 20                 |
| <b>Totals</b>   | <b>7</b>           | <b>100%</b>      | <b>74,930</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)  |                    |                  |               |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population    | Percent Population |
| Low-income  | 0                  | 0                | 0             | 0                  |
| Moderate-income   | 3                  | 42               | 5,934         | 8                  |
| Middle-income   | 2                  | 29               | 60,113        | 80                 |
| Upper-income  | 2                  | 29               | 9,040         | 12                 |
| <b>Totals</b>   | <b>7</b>           | <b>100%</b>      | <b>75,087</b> | <b>100%</b>        |

**WORCESTER COUNTY ASSESSMENT AREA**

Situated in eastern Maryland, the Ocean Pines micropolitan statistical area encompasses all of Worcester County. The county contained 11 census tracts according to 2000 Census data, of which two were designated as moderate-income and nine as middle-income. As of the 2010 Census, the county contained 16 census tracts, four of which were moderate-income, 11 middle-income tracts, and one unknown income tract. According to 2000 and 2010 Census data, there were no low-income census tracts in the Worcester County assessment area.

The FDIC's Summary of Deposits as of June 30, 2012, shows 13 depository institutions operated in Worcester County. These institutions maintained a total of 41 branches holding \$1.4 billion in deposits. Susquehanna operated one branch in the county and ranked 9<sup>th</sup>, holding \$41 million, or 3% of the retail deposit market. Calvin B. Taylor Banking Company, headquartered in Worcester County, ranked 1<sup>st</sup>, with 24% of the market. Of Susquehanna's total bank deposits, less than 1% was attributed to the Worcester County assessment area.

During the evaluation period, Susquehanna originated 31 home-mortgage loans aggregating \$8.2 million and five small business loans aggregating \$3.6 million. Of the 31 home-mortgage loans, 6% were originated in the moderate-income census tracts and 13% of the loans were to low- or moderate-income borrowers. The five small business loans were originated in the middle-income census tracts and 40% were to small businesses.

Susquehanna did not originate any community development loans in Worcester County during the period evaluated. However, Susquehanna holds a significant level of qualified investments, totaling \$1.2 million, in Worcester County. All of the investment dollars were targeted to affordable housing efforts in the county. Of Susquehanna's total current investments, 2% are attributed to this assessment area.

The tables on the following pages show the demographics for the Worcester County assessment area.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>WORCESTER COUNTY ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 2,701                     | 20.2         |
| Moderate-income  | 2                               | 18.2                               | 2,380                    | 17.8             | 310  | 13.0                 | 2,605                     | 19.4         |
| Middle-income  | 9                               | 81.8                               | 11,024                   | 82.2             | 652  | 5.9                  | 3,422                     | 25.5         |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 4,676                     | 34.9         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>11</b>                       | <b>100.0</b>                       | <b>13,404</b>            | <b>100.0</b>     | <b>962</b>   | <b>7.2</b>           | <b>13,404</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 3,875                           | 1,973                              | 13.4                     | 50.9             | 1,579  | 40.7                 | 323                       | 8.3          |
| Middle-income  | 43,485                          | 12,802                             | 86.6                     | 29.4             | 3,340  | 7.7                  | 27,343                    | 62.9         |
| Upper-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>47,360</b>                   | <b>14,775</b>                      | <b>100.0</b>             | <b>31.2</b>      | <b>4,919</b>                                       | <b>10.4</b>          | <b>27,666</b>             | <b>58.4</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 799                             | 16.2                               | 727                      | 16.3             | 30   | 14.3                 | 42                        | 16.2         |
| Middle-income  | 4,142                           | 83.8                               | 3,744                    | 83.7             | 180  | 85.7                 | 218                       | 83.8         |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>4,941</b>                    | <b>100.0</b>                       | <b>4,471</b>             | <b>100.0</b>     | <b>210</b>   | <b>100.0</b>         | <b>260</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | 90.5             |  | 4.3                  |                           | 5.3          |
|  | Total Farms by Tract            | Farms by Tract & Revenue Size      |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 20                              | 10.3                               | 20                       | 10.3             | 0  | 0.0                  | 0                         | 0.0          |
| Middle-income  | 175                             | 89.7                               | 174                      | 89.7             | 1  | 100.0                | 0                         | 0.0          |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>195</b>                      | <b>100.0</b>                       | <b>194</b>               | <b>100.0</b>     | <b>1</b>   | <b>100.0</b>         | <b>0</b>                  | <b>0.0</b>   |
|  | Percentage of Total Farms:      |                                    |                          | 99.5             |  | 0.5                  |                           | 0.0          |

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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>WORCESTER COUNTY ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 3,096                     | 21.0         |
| Moderate-income  | 4                               | 25.0                               | 3,624                    | 24.6             | 452  | 12.5                 | 2,924                     | 19.8         |
| Middle-income  | 11                              | 68.8                               | 11,126                   | 75.4             | 465  | 4.2                  | 3,384                     | 22.9         |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 5,346                     | 36.2         |
| Unknown income   | 1                               | 6.3                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>16</b>                       | <b>100.0</b>                       | <b>14,750</b>            | <b>100.0</b>     | <b>917</b>   | <b>6.2</b>           | <b>14,750</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 6,424                           | 3,370                              | 19.5                     | 52.5             | 2,188  | 34.1                 | 866                       | 13.5         |
| Middle-income  | 48,747                          | 13,940                             | 80.5                     | 28.6             | 2,518  | 5.2                  | 32,289                    | 66.2         |
| Upper-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>55,171</b>                   | <b>17,310</b>                      | <b>100.0</b>             | <b>31.4</b>      | <b>4,706</b>                                       | <b>8.5</b>           | <b>33,155</b>             | <b>60.1</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 1,070                           | 25.1                               | 971                      | 25.4             | 45   | 22.7                 | 54                        | 23.1         |
| Middle-income  | 3,187                           | 74.8                               | 2,854                    | 74.6             | 153  | 77.3                 | 180                       | 76.9         |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 1                               | 0.0                                | 1                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>4,258</b>                    | <b>100.0</b>                       | <b>3,826</b>             | <b>100.0</b>     | <b>198</b>   | <b>100.0</b>         | <b>234</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>89.9</b>      |  | <b>4.7</b>           |                           | <b>5.5</b>   |
|  | Total Farms by Tract            | Farms by Tract & Revenue Size      |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 35                              | 17.6                               | 35                       | 17.7             | 0  | 0.0                  | 0                         | 0.0          |
| Middle-income  | 164                             | 82.4                               | 163                      | 82.3             | 1  | 100.0                | 0                         | 0.0          |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>199</b>                      | <b>100.0</b>                       | <b>198</b>               | <b>100.0</b>     | <b>1</b>   | <b>100.0</b>         | <b>0</b>                  | <b>0.0</b>   |
|  | Percentage of Total Farms:      |                                    |                          | <b>99.5</b>      |  | <b>0.5</b>           |                           | <b>0.0</b>   |



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The following table shows Susquehanna’s branch distribution by population level.

| <b>SUSQUEHANNA BANK<br/>RETAIL BRANCH DISTRIBUTION<br/>WORCHESTER COUNTY ASSESSMENT AREA</b> |                           |                         |                   |                           |
|--|---------------------------|-------------------------|-------------------|---------------------------|
| <b>2011 (Demographics based on 2000 Census)</b>  |                           |                         |                   |                           |
| <b>Census Tract Type</b>   | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income   | 0                         | 0                       | 0                 | 0                         |
| Moderate-income  | 0                         | 0                       | 9,127             | 20                        |
| Middle-income  | 1                         | 100                     | 37,416            | 80                        |
| Upper-income   | 0                         | 0                       | 0                 | 0                         |
| <b>Totals</b>  | <b>1</b>                  | <b>100%</b>             | <b>46,543</b>     | <b>100%</b>               |
| <b>2012 (Demographics based on 2010 Census)</b>  |                           |                         |                   |                           |
| <b>Census Tract Type</b>   | <b>Number of Branches</b> | <b>Percent Branches</b> | <b>Population</b> | <b>Percent Population</b> |
| Low-income   | 0                         | 0                       | 0                 | 0                         |
| Moderate-income  | 0                         | 0                       | 14,186            | 28                        |
| Middle-income  | 1                         | 100                     | 37,268            | 72                        |
| Upper-income   | 0                         | 0                       | 0                 | 0                         |
| <b>Totals</b>  | <b>1</b>                  | <b>100%</b>             | <b>51,454</b>     | <b>100%</b>               |

**GARRETT COUNTY ASSESSMENT AREA**

Situated in western Maryland, Garrett County shares a border with Pennsylvania to its north and West Virginia to its south and west. The rural county had seven census tracts, five of which were designated as moderate-income and two as middle-income and underserved as of the 2000 Census. As of the 2010 Census, Garrett County had seven census tracts, 4 of which were designated as moderate-income and three as middle-income and underserved. For purposes of CRA, a middle-income census tract designated as underserved constitutes a rural area with a population so small, thin and distant from a population center that it will have difficulty financing essential community needs. According to 2000 and 2010 Census data, there were no low-income census tracts in the Garrett County assessment area.

The FDIC’s Summary of Deposits, as of June 30, 2012, show just five depository institutions operating in Garrett County. These institutions maintained a total of 15 branches holding \$580 million in deposits. Susquehanna, with two branches in the assessment area, ranked second with \$101 million and 17% of the retail deposit market. First United Bank & Trust, headquartered in Garrett County, ranked first with 60% of area deposits. Of Susquehanna’s total bank deposits, less than 1% was attributed to the Garrett County assessment area.

Susquehanna reported 40 home-mortgage loans, aggregating \$11.9 million, and 105 small business loans, aggregating \$11.2 million, during the evaluation period in the Garrett County assessment area. Of the total 40 home-mortgage loans, 48% were originated in moderate-income census tracts and 28% were made to low- or moderate-income borrowers. Of the total 105 small business loans, 61% were originated in moderate-income tracts and 39% were made to small businesses.

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Susquehanna did not originate any community development loans in the Garrett County assessment area during the period evaluated. However, the bank originated two small business loans totaling \$600 thousand which financed an affordable housing initiative. In addition, Susquehanna originated one Farmers Home Administration Rural Housing loan and one loan using the bank's proprietary residential-mortgage product developed for low- and moderate-income borrowers. Of note, Susquehanna Bank holds a significant level of qualified investments, totaling \$1.7 million, in Garrett County. A majority of the investment dollars were targeted to affordable housing efforts in the county. Of Susquehanna's total current investments, 3% are attributed to this assessment area.

The tables on the following pages show the demographics for Garrett County assessment area.

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>GARRETT COUNTY ASSESSMENT AREA<br>2011 |  |                                    |                          |                  |  |                      |                           |              |
|--|--|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution                     |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                                      | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                                      | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 2,450                     | 29.1         |
| Moderate-income  | 5                                      | 71.4                               | 6,448                    | 76.7             | 737  | 11.4                 | 2,009                     | 23.9         |
| Middle-income  | 2                                      | 28.6                               | 1,960                    | 23.3             | 89   | 4.5                  | 1,963                     | 23.3         |
| Upper-income   | 0                                      | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 1,986                     | 23.6         |
| Unknown income   | 0                                      | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>7</b>                               | <b>100.0</b>                       | <b>8,408</b>             | <b>100.0</b>     | <b>826</b>   | <b>9.8</b>           | <b>8,408</b>              | <b>100.0</b> |
|  | Housing Units by Tract                 | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |  | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                                      | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                                      | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 10,580                                 | 6,768                              | 75.7                     | 64.0             | 2,133  | 20.2                 | 1,679                     | 15.9         |
| Middle-income  | 6,181                                  | 2,177                              | 24.3                     | 35.2             | 398  | 6.4                  | 3,606                     | 58.3         |
| Upper-income   | 0                                      | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                                      | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>16,761</b>                          | <b>8,945</b>                       | <b>100.0</b>             | <b>53.4</b>      | <b>2,531</b>                                       | <b>15.1</b>          | <b>5,285</b>              | <b>31.5</b>  |
|  | Total Businesses by Tract              | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |  | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                                      | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                                      | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 1,718                                  | 72.7                               | 1,541                    | 72.4             | 97   | 77.0                 | 80                        | 73.4         |
| Middle-income  | 645                                    | 27.3                               | 587                      | 27.6             | 29   | 23.0                 | 29                        | 26.6         |
| Upper-income   | 0                                      | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                                      | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>2,363</b>                           | <b>100.0</b>                       | <b>2,128</b>             | <b>100.0</b>     | <b>126</b>   | <b>100.0</b>         | <b>109</b>                | <b>100.0</b> |
|  | <b>Percentage of Total Businesses:</b> |                                    |                          | <b>90.1</b>      |  | <b>5.3</b>           |                           | <b>4.6</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>GARRETT COUNTY ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 2,425                     | 28.5         |
| Moderate-income  | 4                               | 57.1                               | 4,942                    | 58.1             | 610  | 12.3                 | 1,927                     | 22.7         |
| Middle-income  | 3                               | 42.9                               | 3,560                    | 41.9             | 148  | 4.2                  | 2,064                     | 24.3         |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 2,086                     | 24.5         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>7</b>                        | <b>100.0</b>                       | <b>8,502</b>             | <b>100.0</b>     | <b>758</b>   | <b>8.9</b>           | <b>8,502</b>              | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 8,369                           | 5,302                              | 55.7                     | 63.4             | 1,739  | 20.8                 | 1,328                     | 15.9         |
| Middle-income  | 10,297                          | 4,221                              | 44.3                     | 41.0             | 1,022  | 9.9                  | 5,054                     | 49.1         |
| Upper-income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>18,666</b>                   | <b>9,523</b>                       | <b>100.0</b>             | <b>51.0</b>      | <b>2,761</b>                                       | <b>14.8</b>          | <b>6,382</b>              | <b>34.2</b>  |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income  | 1,005                           | 45.9                               | 906                      | 45.8             | 58   | 49.2                 | 41                        | 43.6         |
| Middle-income  | 1,186                           | 54.1                               | 1,073                    | 54.2             | 60   | 50.8                 | 53                        | 56.4         |
| Upper-income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>2,191</b>                    | <b>100.0</b>                       | <b>1,979</b>             | <b>100.0</b>     | <b>118</b>   | <b>100.0</b>         | <b>94</b>                 | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>90.3</b>      |  |                      | <b>5.4</b>                | <b>4.3</b>   |

The following table shows Susquehanna's branch distribution by population level.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>GARRETT COUNTY ASSESSMENT AREA |                    |                  |               |                    |
|--|--------------------|------------------|---------------|--------------------|
| 2011 (Demographics based on 2000 Census)   |                    |                  |               |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population    | Percent Population |
| Low-income   | 0                  | 0                | 0             | 0                  |
| Moderate-income  | 1                  | 50               | 23,316        | 78                 |
| Middle-income  | 1                  | 50               | 6,530         | 22                 |
| Upper-income   | 0                  | 0                | 0             | 0                  |
| <b>Totals</b>  | <b>2</b>           | <b>100%</b>      | <b>29,846</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)   |                    |                  |               |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population    | Percent Population |
| Low-income   | 0                  | 0                | 0             | 0                  |
| Moderate-income  | 0                  | 0                | 17,003        | 56                 |
| Middle-income  | 2                  | 100              | 13,094        | 44                 |
| Upper-income   | 0                  | 0                | 0             | 0                  |
| <b>Totals</b>  | <b>2</b>           | <b>100%</b>      | <b>30,097</b> | <b>100%</b>        |

## STATE OF NEW JERSEY

### NEW JERSEY CRA RATING<sup>7</sup>

| Performance Test | Performance Level   |
|------------------|---------------------|
| Lending          | Low Satisfactory    |
| Investment       | High Satisfactory   |
| Service          | Low Satisfactory    |
| <b>Overall</b>   | <b>Satisfactory</b> |

### SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following.

- The geographic distribution of loans reflects adequate penetration in the state.
- The distribution of borrowers, given the product lines offered by the bank, reflects adequate penetration among retail customers of different income levels and good penetration of business customers of different sizes.
- The bank exhibits an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- The bank has made a relatively high level of community development loans in New Jersey.
- The bank has a significant level of qualified community development investments and grants.
- The bank provides an adequate level of community development services in New Jersey.

### SCOPE OF EXAMINATION

Susquehanna's CRA performance in New Jersey was evaluated for the period from March 15, 2011 through May 6, 2013. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA, pursuant to the Interagency Procedures and Guidelines for Large Retail Institutions. Under the lending test, loan products evaluated included home-purchase and home-improvement loans and refinancing of such loans, small business loans, and community development loans. For purposes of evaluating the geographic distribution of loans, loans originated in 2011 were classified on the basis of 2000 U.S. Census data. Loans originated in 2012 were classified on the basis of 2010 U.S. Census data.

The rating for New Jersey consists of the evaluation of Susquehanna's CRA performance in two assessment areas:

1. The Atlantic City assessment area consists of Atlantic County, New Jersey, which encompasses the entire Atlantic City, NJ MSA.

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<sup>7</sup> The statewide evaluation is adjusted for institutions with branches in two or more states in a multistate metropolitan area, and does not reflect performance in the parts of those states contained within the multistate metropolitan area.

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2. The Vineland assessment area consists of Cumberland County, New Jersey, which encompasses the entire Vineland-Millville-Bridgeton, NJ MSA.

A full review of Susquehanna's CRA performance in the Atlantic City assessment area was performed. A limited review of the bank's performance was conducted for the Vineland assessment area.

## **FULL REVIEW ASSESSMENT AREA CONCLUSIONS**

### **ATLANTIC CITY ASSESSMENT AREA**

Situated in southern New Jersey, the Atlantic City-Hammonton MSA (Atlantic City MSA) consists of Atlantic County. At the 2000 Census, the MSA consisted of 63 census tracts, four of which were low-income and eleven moderate-income. The city of Atlantic City included all four of the low-income tracts and eight of the moderate-income tracts in the assessment area. The remaining three moderate-income tracts were located in Pleasantville (two) and Egg Harbor City (one). Twenty-six percent of the assessment area population resided in these low- and moderate-income census tracts. The MSA's total population as of the 2000 Census was 252,552, with 16% of that population living in Atlantic City.

As of the 2010 Census, the MSA consisted of 69 census tracts, seven of which were low-income and thirteen moderate-income. All seven of the low-income tracts and six of the moderate-income tracts were located in Atlantic City. The remaining seven moderate-income tracts were in Pleasantville (three), Somers Point (two), Mays Landing (one), and Port Republic (one). Twenty-nine percent of the assessment area population resided in the low- and moderate-income tracts. As of the 2010 Census, the MSA's total population increased to 274,549, with 14% living in Atlantic City.

The FDIC's Summary of Deposits as of June 30, 2012, showed 16 depository institutions operating in the MSA. These institutions maintained a total of 87 branches holding \$5.1 billion in deposits. Susquehanna operated six branches, holding \$258 million in deposits in the assessment area. The bank ranked eighth in the MSA with 5% of the total retail deposit market. Wells Fargo Bank, NA had a strong presence in the market and ranked first, with 20% of the deposit market. Of Susquehanna's total bank deposits, 2% were attributed to the Atlantic City assessment area.

Susquehanna's home-mortgage lending was compared to the aggregate of all lenders in the market reporting HMDA loans. The bank was not a significant mortgage loan originator in this assessment area. According to 2011 aggregate HMDA data, 9,005 home-mortgage loans were collectively originated by 292 institutions in the assessment area. Wells Fargo Bank, NA ranked first, originating 22% of all HMDA loans reported in the assessment area. Susquehanna ranked 28<sup>th</sup>, with a market share of less than 1%.

Regarding small business lending, 2011 aggregate CRA data shows that 58 small business loan reporters collectively originated 4,403 small business loans in the assessment area. American Express Bank, FSB, ranked 1<sup>st</sup> among the reporters, with 26% of the market. Since CRA small business loan reporting includes small business loans issued by reporters under corporate credit card arrangements, the reporters with the highest rankings included national originators. Susquehanna ranked 16<sup>th</sup>, with a market share of 1%.

Information about community credit needs in this evaluation was obtained from interviews and contacts with community organizations and local government officials. Community contacts indicated that affordable housing is a pressing need in the assessment area. Community representatives also mentioned the need for increased lending to small and mid-sized businesses in the assessment area.

### **ECONOMIC CHARACTERISTICS**

Atlantic City, located on Absecon Island on the coast of the Atlantic Ocean, is the Atlantic City MSA's largest urban center and is a nationally renowned resort city for gambling. According to the 2010 Census data, the city had a population of 39,558. The local work force is centered in the leisure/hospitality industry which accounts for 31% of MSA employment, while government accounts for 18% of employment. The top five private sector employers in the MSA are the Borgata Hotel Casino & Spa, Trump Hotels & Casino Resorts, Ancora Psychiatric Hospital, Atlanticare Regional Medical Center, and Caesar's Atlantic City Casino.

The strengths of the MSA's economy continue to be its position as a popular tourist destination and the center of gaming on the east coast. However, weaknesses in the economy include its low industrial diversity, low-paying tourism related jobs which constrain income growth, and increased regional competition for gaming. Further, Atlantic City has been under state financial oversight since 2010 when the state bailed the city out of a budget deficit and began monitoring the city's finances. Atlantic City also faced a minor setback after Hurricane Sandy destroyed a portion of its boardwalk and forced a weeklong casino shutdown.

Unemployment rates in the Atlantic City MSA increased over the evaluation period. The table below depicts the rates for 2011 and 2012.

| <b>Locations</b>  | <b>December 2011</b> | <b>December 2012</b> |
|-------------------|----------------------|----------------------|
| Atlantic City MSA | 13.1                 | 14.9                 |
| Atlantic City     | 17.4                 | 21.6                 |
| New Jersey        | 8.9                  | 9.3                  |

## **HOUSING**

### **2000 Census Data**

The percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. An analysis of owner-occupied housing units, compared to the number of total available housing units for each geographic designation, shows that, as of the 2000 Census, the majority of owner-occupied housing units were located in middle- (66%) and upper-income (23%) census tracts. Just 1% of all owner-occupied units were located in low-income tracts and 10% were in moderate-income tracts.

As of the 2000 Census, the Atlantic City MSA contained 114,090 housing units, of which 55% were owner-occupied, 28% were rental units, and 17% were vacant. In low-income census tracts, the level of owner-occupancy was very low at 11%; rental units accounted for 68% of all housing in these tracts, and 21% of units were vacant. In moderate-income census tracts, the level of owner-occupancy was 34%, with rental units accounting for 50% of housing units and vacancies 16% of units. The state's owner-occupancy rate was 61%.

Single-family units comprised 64% of all housing units in the MSA, multifamily units comprised 22%, and two-to-four family units were 11%. Mobile homes comprised just 3% of all housing units. The median age of the housing stock was 32 years, compared to a median age of 38 years in the state. Median rent in the assessment area was \$677, with 39% of renters paying more than 30% of their income for housing. Median rent in the state was higher at \$751, with 37% of renters paying more than 30% of their income for housing.

As of the 2000 census, the median housing value in the assessment area was \$118,250, with no significant disparity between the median housing values in the upper-income (\$143,296), moderate-income (\$85,848), and low-income (\$58,640) census tracts. In the MSA, 36% of housing units were valued at less than \$100 thousand, compared with 17% statewide.

### **Atlantic City**

Atlantic City is where a large majority of the MSA's low- and moderate-income census tracts were located. According to 2000 Census data, the city contained 20,219 housing units, or 18% of all housing units in the MSA. The city's overall owner-occupancy rate was only 23%; 56% of units were rental and 22% were vacant. In the city, single-family units comprised 32% of housing units, multifamily units comprised 49%, and two-to-four family units 19%. The median age of the housing stock was 40 years. Median rent in Atlantic City was \$562, with 40% of renters paying more than 30% of their income for housing. The median housing value was \$88,692 and 62% of housing of units were valued at less than \$100 thousand.

## **2010 Census Data**

According to the 2010 Census, 55% of owner-occupied housing units were located in middle-income census tracts and 28% were in upper-income tracts. Just 3% of owner-occupied units were in low-income tracts and 14% were in moderate-income tracts.

According to the 2010 Census, the Atlantic City MSA contained 125,826 housing units, of which 57% were owner-occupied, 24% were rental units, and 19% vacant. In low-income census tracts, the level of owner-occupancy was low at 19%; rental units accounted for 54% of all housing in low-income tracts and 26% of units were vacant. In moderate-income census tracts, the level of owner-occupancy was 44%, with rental units accounting for 43% of housing units and vacancies 13% of units. The state's owner-occupancy rate was 60%.

Single-family units comprised 66% of all housing units, multifamily-units comprised 21%, and two-to-four family units 10%. Mobile homes comprised just 3% of all housing units. The median age of the housing stock was 38 years, compared to 45 years in the state. Median rent in the MSA was \$934, with 52% of renters paying more than 30% of their income for housing. Median rent in the state was higher at \$1,092, with 50% of renters paying more than 30% of their income for housing.

In 2010, the median housing value in the assessment area jumped to \$264,351. Significant disparities appeared between housing in upper-income (\$334,504) and moderate-income (\$199,108) tracts. However, low-income (\$223,182) and middle-income (\$251,883) tracts were closer to the median housing price. Moody's estimated that the average existing home price in the Atlantic City MSA has been decreasing. In 2011, the average price was \$222,600, falling 3%, to \$215,700 in 2013. Although trending downward, housing costs remained high in the MSA, limiting homeownership opportunities for low- and moderate-income families.

## **Atlantic City**

The 2010 Census data shows that Atlantic City contained 22,264 housing units, or 18% of all housing units in the MSA. The city's overall owner-occupancy rate was 25%; 50% of the units were rental and 24% vacant. In the low-income census tracts, the level of owner-occupancy was low at 19% and in moderate-income tracts owner-occupancy was 44%. In the city, single-family units comprised 33% of all housing units, multifamily units comprised 49%, and 18% of all housing units were two-to-four-family. Median rent in Atlantic City was \$767, with 52% of renters paying more than 30% of income for housing. The median housing value was \$238,130.

## **BORROWER INCOME DATA**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually adjusted median family income data made available by HUD. As of the 2000 Census, 19% of families in the assessment area were considered low-income and 18% were moderate-income. Families living below the poverty level represented 8% of the total families in the assessment area, compared to 6% of families in the state. Likewise, at the 2010 Census 21% of families in the assessment area were considered low-income and 18% were moderate-income. Families in the assessment area living below the poverty level represented 9% of total families, compared to 10% of families in the state.



The HUD adjusted median family income for the MSA was \$71,100 in 2011, increasing to \$72,100 in 2012.

### **Atlantic City**

As of the 2000 Census, 40% of families in Atlantic City were considered low-income and 24% were moderate-income. Families living below the poverty level represented 19% of the total families in the city. As of the 2010 Census, 47% of families were low-income and 20% were moderate-income. Families in the assessment area were living below the poverty level represented 23% of total families.

### **GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. According to available 2011 business data, 5% of businesses in the assessment area were located in low-income census tracts and 12% of businesses were in moderate-income tracts. The majority of businesses were located in middle-income (60%) census tracts, with 23% in upper-income tracts.

In 2012, 8% of businesses in the MSA were located in low-income census tracts and 13% of businesses were in moderate-income tracts. The majority of businesses (51%) were located in middle-income census tracts, with 28% in upper-income tracts.

### **Atlantic City**

In Atlantic City, in 2011, 41% of businesses were located in low-income census tracts and 51% were in moderate-income tracts. Just 8% of businesses were located in middle-income tracts. There were no upper-income census tracts in Atlantic City. In 2012, 69% of Atlantic City's businesses were located in low-income census tracts and 21% of businesses were in moderate-income tracts. Only 11% of businesses were located in middle-income tracts. There were no upper-income tracts in Atlantic City.

The demographics used to assess the performance context in which Susquehanna operates in the Atlantic City assessment area are detailed in the following tables.

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>ATLANTIC CITY ASSESSMENT AREA<br>2011 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 4                               | 6.3                                | 2,288                    | 3.6              | 806  | 35.2                 | 12,260                    | 19.3         |
| Moderate-income   | 11                              | 17.5                               | 9,174                    | 14.5             | 1,205  | 13.6                 | 11,603                    | 18.3         |
| Middle-income   | 36                              | 57.1                               | 39,840                   | 62.8             | 2,365  | 5.9                  | 14,814                    | 23.4         |
| Upper-income  | 11                              | 17.5                               | 12,129                   | 19.1             | 389  | 3.2                  | 24,754                    | 39.0         |
| Unknown income  | 1                               | 1.6                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>63</b>                       | <b>100.0</b>                       | <b>63,431</b>            | <b>100.0</b>     | <b>4,810</b>                                       | <b>7.6</b>           | <b>63,431</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 5,767                           | 616                                | 1.0                      | 10.7             | 3,938  | 68.3                 | 1,213                     | 21.0         |
| Moderate-income   | 17,920                          | 6,093                              | 9.7                      | 34.0             | 8,956  | 50.0                 | 2,871                     | 16.0         |
| Middle-income   | 70,960                          | 41,651                             | 66.1                     | 58.7             | 17,142   | 24.2                 | 12,167                    | 17.1         |
| Upper-income  | 19,419                          | 14,656                             | 23.2                     | 75.5             | 1,948  | 10.0                 | 2,815                     | 14.5         |
| Unknown income  | 24                              | 24                                 | 0.0                      | 100.0            | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>114,090</b>                  | <b>63,040</b>                      | <b>100.0</b>             | <b>55.3</b>      | <b>31,984</b>                                      | <b>28.0</b>          | <b>19,066</b>             | <b>16.7</b>  |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 761                             | 4.7                                | 635                      | 4.4              | 61   | 7.2                  | 65                        | 8.7          |
| Moderate-income   | 1,933                           | 12.0                               | 1,687                    | 11.7             | 146  | 17.2                 | 100                       | 13.3         |
| Middle-income   | 9,631                           | 60.0                               | 8,663                    | 59.9             | 513  | 60.5                 | 455                       | 60.7         |
| Upper-income  | 3,692                           | 23.0                               | 3,439                    | 23.8             | 127  | 15.0                 | 126                       | 16.8         |
| Unknown income  | 35                              | 0.2                                | 30                       | 0.2              | 1  | 0.1                  | 4                         | 0.5          |
| <b>Total Assessment Area</b>  | <b>16,052</b>                   | <b>100.0</b>                       | <b>14,454</b>            | <b>100.0</b>     | <b>848</b>   | <b>100.0</b>         | <b>750</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | <b>90.0</b>      |  |                      | <b>5.3</b>                | <b>4.7</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>ATLANTIC CITY ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|---|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories   | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 7                               | 10.1                               | 4,060                    | 6.0              | 1,422  | 35.0                 | 14,356                    | 21.3         |
| Moderate-income   | 13                              | 18.8                               | 12,235                   | 18.2             | 1,654  | 13.5                 | 11,958                    | 17.8         |
| Middle-income   | 32                              | 46.4                               | 34,527                   | 51.3             | 2,297  | 6.7                  | 13,790                    | 20.5         |
| Upper-income  | 16                              | 23.2                               | 16,434                   | 24.4             | 527  | 3.2                  | 27,152                    | 40.4         |
| Unknown income  | 1                               | 1.4                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>69</b>                       | <b>100.0</b>                       | <b>67,256</b>            | <b>100.0</b>     | <b>5,900</b>                                       | <b>8.8</b>           | <b>67,256</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|   |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|   | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income  | 10,789                          | 2,086                              | 2.9                      | 19.3             | 5,879  | 54.5                 | 2,824                     | 26.2         |
| Moderate-income   | 23,284                          | 10,152                             | 14.1                     | 43.6             | 10,033   | 43.1                 | 3,099                     | 13.3         |
| Middle-income   | 62,667                          | 39,829                             | 55.4                     | 63.6             | 11,347   | 18.1                 | 11,491                    | 18.3         |
| Upper-income  | 29,079                          | 19,811                             | 27.6                     | 68.1             | 2,501  | 8.6                  | 6,767                     | 23.3         |
| Unknown income  | 7                               | 7                                  | 0.0                      | 100.0            | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>125,826</b>                  | <b>71,885</b>                      | <b>100.0</b>             | <b>57.1</b>      | <b>29,760</b>                                      | <b>23.7</b>          | <b>24,181</b>             | <b>19.2</b>  |
|   | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|   |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|   | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income  | 1,270                           | 8.1                                | 1,076                    | 7.6              | 93   | 11.4                 | 101                       | 13.6         |
| Moderate-income   | 2,064                           | 13.1                               | 1,832                    | 12.9             | 125  | 15.4                 | 107                       | 14.4         |
| Middle-income   | 7,981                           | 50.8                               | 7,146                    | 50.5             | 440  | 54.1                 | 395                       | 53.2         |
| Upper-income  | 4,383                           | 27.9                               | 4,089                    | 28.9             | 154  | 18.9                 | 140                       | 18.8         |
| Unknown income  | 21                              | 0.1                                | 19                       | 0.1              | 2  | 0.2                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>  | <b>15,719</b>                   | <b>100.0</b>                       | <b>14,162</b>            | <b>100.0</b>     | <b>814</b>   | <b>100.0</b>         | <b>743</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                                    |                          | 90.1             | 5.2  |                      | 4.7                       |              |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

Performance under the lending test is rated low satisfactory in the Atlantic City assessment area.

**Geographic Distribution of Lending**

The geographic distribution of loans reflects adequate penetration throughout the Atlantic City assessment area, including low- and moderate-income census tracts.

**Home Mortgage Lending**

Susquehanna originated 107 home-mortgage loans, aggregating \$32.9 million, in the assessment area during the evaluation period. Categorized by loan product type, 46% of these HMDA loans were home-purchase loans, 41% were refinance loan, and 11% were home-improvement loans. Loans to finance multifamily housing accounted for 2% of the bank's loans during the evaluation period.

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As previously noted, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential-mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract. According to 2000 Census data, there was a limited amount of owner-occupied housing in the low- and moderate-tracts in the assessment area. Only 1% of owner-occupied units were located in low-income tracts and 10% were in moderate-income tracts. Likewise, as of the 2010 Census, 3% of owner-occupied units were in low-income tracts and 15% were in moderate-income tracts.

The following table presents Susquehanna’s HMDA lending distribution for 2011 and 2012, in comparison to applicable owner-occupied housing proxies and available aggregate lending levels for the Atlantic City assessment area.

| <b>SUSQUEHANNA BANK<br/>ATLANTIC CITY ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF HMDA LOANS BY TRACT INCOME LEVEL</b> |                                      |                                      |                       |                     |                       |
|---|--------------------------------------|--------------------------------------|-----------------------|---------------------|-----------------------|
| Income Level  | % Owner occupied units (2000 Census) | % Owner occupied units (2010 Census) | Aggregate Comparison  |                     |                       |
|   |                                      |                                      | 2011                  |                     | 2012*                 |
|   |                                      |                                      | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low   | 1                                    | 3                                    | 0                     | 1                   | 2                     |
| Moderate  | 10                                   | 14                                   | 2                     | 5                   | 14                    |
| Middle  | 66                                   | 55                                   | 83                    | 66                  | 64                    |
| Upper   | 23                                   | 28                                   | 15                    | 28                  | 20                    |
| Unknown   | 0                                    | 0                                    | 0                     | 0                   | 0                     |
| <b>Total</b>  | <b>100%</b>                          | <b>100%</b>                          | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

**Lending in Low-Income Census Tracts**

Based on assessment area demographics and aggregate lending levels, lending opportunities in the low-income census tracts, during 2011 and 2012, appear limited. Because of such limited lending opportunities, Susquehanna’s HMDA lending in low-income census tracts was considered adequate. Over the evaluation period, neither Susquehanna, nor aggregate lenders made a significant number of home-mortgage loans in the MSA’s low-income census tracts.

**2000 Census**

In 2011, Susquehanna made no loans in the assessment area’s low-income census tracts. The applicable proxy of owner-occupied housing in low-income tracts was 1% and the aggregate 2011 HMDA lending level in such tracts was 1%.

The aggregate 2011 lending level shows limited lending by any bank in the assessment area’s low-income tracts. Aggregate data shows that for all institutions, only 40 HMDA loans were originated in the low-income census tracts. Overall, just 0.3% of all home-purchase loans, 0.5% of all refinance loans, and 0.7% of all home-improvement loans were made in low-income tracts. Further, 8% of all loans for multifamily housing were made in low-income tracts.

## **2010 Census**

In 2012, Susquehanna's lending presence in low-income tracts improved; 2% of the bank's HMDA loans were originated in such tracts, which was slightly below the housing proxy of 3% in low-income tracts. Of these loans, Susquehanna made one home-purchase loan, but no home-improvement loans, refinance or loans to finance multifamily housing. 2012 aggregate HMDA data were not available at the time of the evaluation for review or comparison.

## **Lending in Moderate-Income Census Tracts**

Susquehanna's HMDA lending was stronger in the assessment area's moderate-income census tracts, when compared to its lending in low-income tracts. However, Susquehanna's loan volume was low; the bank reported just 107 HMDA loans over the evaluation period and only nine of these loans were made in moderate-income tracts.

## **2000 Census**

In 2011, 2% of the bank's loans were made in moderate-income census tracts, which was below both the applicable owner-occupied housing proxy of 10% and the aggregate 2011 HMDA lending level of 5%. Susquehanna made 6% of its home-purchase loans in moderate-income tracts, but made no refinance loans or home-improvement loans in such tracts. By comparison, Susquehanna's lending levels were below 2011 aggregate lending levels in moderate-income tracts of 8% of all home-purchase loans, 4% of all refinance loans, and 3% of all home-improvement loans. Aggregate loan data also shows that 25% of loans to finance multifamily housing were made in moderate-income tracts, compared to no such loans made in moderate-income tracts by Susquehanna.

## **2010 Census**

In 2012, Susquehanna's HMDA lending in moderate-income census tracts increased significantly to 14% of the bank's loans, which was equal to the applicable housing proxy. In 2012, the bank made 19% of its home-purchase loans and 10% of its refinance loans in moderate-income tracts. However, the bank made no home-improvement loans or multifamily housing loans in moderate-income tracts.

The bank's lending levels in low- and moderate-income census tracts in the assessment area are considered adequate in the context of the assessment area's demographics and aggregate lending performance. The low- and moderate-income tracts are concentrated in Atlantic City and its immediate surroundings. However, none of the bank's branches are reasonably accessible to these low- and moderate-income communities. Susquehanna operates one branches are clustered on the far western edge of the assessment area, making it difficult for the bank to lend in the low- and moderate-income areas.

**Small Business Lending**

The geographic distribution of Susquehanna’s small business loans reflects poor penetration throughout the Atlantic City assessment area, in context of the assessment area’s economic characteristics during the evaluation period.

During the period evaluated, Susquehanna originated 110 small business loans in the assessment area, in an aggregate amount of \$25.3 million. The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract. Business demographics show 16, 052 businesses were located in the assessment area in 2011. In 2012, the number of businesses in the assessment area decreased to 14,162.

The table below shows a comparison of Susquehanna’s lending levels by census tract type to the respective loan demand proxies of each tract type and the available aggregate lending levels.

| <b>SUSQUEHANNA BANK<br/>ATLANTIC CITY ASSESSMENT AREA<br/>GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS</b> |  |  |                              |                            |                              |
|---|--|--|------------------------------|----------------------------|------------------------------|
| <b>Census Tract Type</b>  | <b>% Businesses by Tract Type (2011)</b> | <b>% Businesses by Tract Type (2012)</b> | <b>Aggregate Comparison</b>  |                            |                              |
|   |  |  | <b>2011</b>                  |                            | <b>2012*</b>                 |
|   |  |  | <b>% Susquehanna Lending</b> | <b>% Aggregate Lending</b> | <b>% Susquehanna Lending</b> |
| Low   | 5  | 8  | 0                            | 4                          | 0                            |
| Moderate  | 12                                       | 13                                       | 4                            | 11                         | 6                            |
| Middle  | 60                                       | 51                                       | 91                           | 60                         | 77                           |
| Upper   | 23                                       | 28                                       | 6                            | 23                         | 17                           |
| Unknown   | 0  | 0  | 0                            | 2                          | 0                            |
| <b>Total</b>  | <b>100%</b>                              | <b>100%</b>                              | <b>100%</b>                  | <b>100%</b>                | <b>100%</b>                  |

\*2012 aggregate loan data is not yet available.

**Lending in Low-Income Census Tracts**

In 2011, Susquehanna made no small business loans in the assessment area’s low-income census tracts, which was below both the applicable loan demand proxy of 5% of businesses and the aggregate 2011 small business lending level of 4% of loans in low-income tracts. The aggregate 2011 lending level shows limited lending by any bank in the assessment area’s low-income tracts. Aggregate data shows that for all institutions, 192 small business loans were reported in the low-income census tracts.

In 2012, the bank again made no small business loans in the low-income census tracts, compared to the loan demand proxy of 8% of businesses in low-income tracts in 2012.

### **Lending in Moderate-Income Census Tracts**

In 2011, 4% of Susquehanna's loans were made in moderate-income tracts, compared to the applicable business proxy of 12% and the 2011 aggregate lending level of 11% of loans in such tracts. The bank's lending level in moderate-income tracts increased to 6% of loans in 2012, but remained well below the applicable proxy of 13% of businesses. Aggregate 2012 CRA small business loan data were not available at the time of the evaluation for comparison.

Susquehanna does not maintain any branch or other physical presence in Atlantic City, where the majority of the low- and moderate-income census tracts are located, limiting its ability to lend in the assessment area's low- and moderate-income tracts. As a result, Susquehanna's lending record in such tracts is poor; the bank made just five small business loans in moderate-income tracts in the assessment area during the evaluation period.

### **Distribution of Loans by Borrower Income Level and Revenue Size of Business**

The distribution of Susquehanna's borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes.

### **Home Mortgage Lending**

Susquehanna's distribution of home-mortgage loans among borrowers of different income levels reflects adequate dispersion throughout the Atlantic City assessment area, taking into consideration the assessment area's demographic and economic characteristics.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. As noted previously, according to the 2000 Census data, 19% of assessment area families were low-income and 18% were moderate-income. Likewise, according to the 2010 Census data, 21% of assessment area families were low-income and 18% were moderate-income.

Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. Nearly 40% of families in the assessment area were designated as low- or moderate-income, indicating a need for affordable housing and home-mortgage credit among this segment of the population. However, there is limited opportunity for banks to make loans to this segment of the population. Of the approximately 26 thousand low- and moderate-income families in the assessment area, 23% live in Atlantic City, but housing in the city is not more affordable. According to the 2010 Census, the median housing value was \$238 thousand in the city, compared to a median housing value of \$264 thousand for the MSA.

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Over the current evaluation period, the bank reported 107 HMDA loans in the Atlantic City assessment area, in an aggregate amount of \$32.9 million. The following table compares Susquehanna’s lending to the available aggregate lending levels, using median family income as a proxy for loan demand.

| SUSQUEHANNA BANK<br>ATLANTIC CITY ASSESSMENT AREA<br>DISTRIBUTION OF HMDA LOANS BY BORROWER INCOME LEVEL |  |  |                       |                     |                       |
|--|--|--|-----------------------|---------------------|-----------------------|
| Income Level   | % Families by Income Level (2000 Census) | % Families by Income Level (2010 Census) | Aggregate Comparison  |                     |                       |
|  |  |  | 2011                  |                     | 2012*                 |
|  |  |  | % Susquehanna Lending | % Aggregate Lending | % Susquehanna Lending |
| Low  | 19                                       | 21                                       | 4                     | 5                   | 10                    |
| Moderate   | 18                                       | 18                                       | 25                    | 16                  | 14                    |
| Middle   | 23                                       | 21                                       | 19                    | 21                  | 12                    |
| Upper  | 39                                       | 40                                       | 42                    | 42                  | 56                    |
| Unknown  | 0  | 0  | 10                    | 16                  | 8                     |
| <b>Total</b>   | <b>100%</b>                              | <b>100%</b>                              | <b>100%</b>           | <b>100%</b>         | <b>100%</b>           |

\*2012 aggregate loan data is not yet available.

**Lending to Low-Income Borrowers**

Based on assessment area demographics, housing costs, and aggregate lending levels, opportunities to lend to low-income borrowers in the assessment area, during 2011 and 2012, appear limited. Because of such limited lending opportunities, Susquehanna’s lending to low-income borrowers was considered adequate. Over the evaluation period, neither Susquehanna, nor aggregate lenders made a significant number of home-mortgage loans to low-income borrowers in the assessment area.

**2000 Census Data**

In 2011, 4% of Susquehanna’s home-mortgage loans were to low-income borrowers in the assessment area, compared to the 2011 aggregate lending level of 5% to low-income borrowers. Both Susquehanna and the aggregate lending level were well below the applicable proxy of 19% of low-income families.

In 2011, Susquehanna originated 6% of its home-purchase loans and 4% of its refinance loans to low-income borrowers. The bank made no home-improvement loans to low-income borrowers in 2011. By comparison, aggregate 2011 lending levels show 6% of all home-purchase loans, 5% of all refinance loans, and 5% of all home-improvement loans were to low-income borrowers.

**2010 Census Data**

In 2012, the bank’s lending to low-income borrowers improved to 10% of its loans in the assessment area, although loan volume remained low. Susquehanna’s lending fell well below the applicable proxy of 21% of low-income families. For 2012, the bank originated 13% of its home-purchase loans, 5% of refinance, and 17% of home-improvement loans to low-income borrowers. Aggregate 2012 HMDA data were not available as of the time of the evaluation for comparison.



In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration that the home-mortgage credit needs of such individuals and families can be a challenge to address through conventional loan products, presenting a significant obstacle to homeownership. As noted previously, as of the 2010 Census, 43% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters, particularly low-income renters, to save the customary down payment and closing costs necessary to purchase a house. In addition, housing costs in the Atlantic City assessment area are high and a large percentage of jobs in the assessment area are low-paying tourism or retail-related jobs which have constrained income growth in the area. The disparity between incomes and housing costs make homeownership difficult for low- and moderate-income families.

### **Lending to Moderate-Income Borrowers**

Although challenges and obstacles to homeownership also exist for moderate-income families and individuals, the bank's overall level of HMDA loans to moderate-income borrowers was higher than its lending level to low-income borrowers.

#### **2000 Census Data**

In 2011, 25% of the bank's loans were to moderate-income families, which exceed the level of moderate-income families in the assessment area (18%) and the aggregate 2011 lending level of 16% of loans. For 2011, the bank originated 29% of its home-purchase loans, 26% of its refinance loans, and 17% of its home-improvement loans to moderate-income borrowers. Susquehanna's lending level was above the 2011 aggregate lending levels of 20% of home-purchase loans and 13% for refinance loans, but below the 22% for home-improvement loans to moderate-income borrowers in the assessment area.

#### **2010 Census**

In 2012, Susquehanna's lending to moderate-income borrowers fell to 14%, compared to the applicable proxy of 18% of moderate-income families in the assessment area. For 2012, Susquehanna made 16% of its home-purchase loans, 10% of its refinance loans, and 17% of its home-improvement loans to moderate-income borrowers. Aggregate 2012 HMDA loan data were not available for comparison at the time of the evaluation for comparison.

Susquehanna enhanced its home mortgage lending among low- and moderate-income borrowers in the assessment area. With respect to its proprietary residential mortgage product developed for low- and moderate-income borrowers, the bank originated six loans in the assessment area by using innovative or flexible lending programs, which address the credit needs of low- and moderate-income individuals, families, and households, aggregating \$810 thousand. The product, restricted to low- and moderate-income borrowers, allows for flexible underwriting standards and below-market interest rates with no private mortgage insurance requirements.

### **Lending to Businesses of Different Sizes**

Susquehanna's distribution of loans to businesses in the Atlantic City assessment area reflects adequate penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses. Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less, in that such loans generally address the borrowing needs of small businesses.

The number of businesses operating in the Atlantic City assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available 2011 business data, 16,052 businesses operated in the assessment area, with 90% designated as small businesses or reporting revenues of less than \$1 million. In 2012, the number of businesses decreased to 15,719, with 90% designated as small businesses.

In 2011, Susquehanna originated 57 small business loans, aggregating \$13.2 million, 42% of which were originated to small businesses. Aggregate data for 2011 show that 38% of all small business loans made in the assessment area in 2011 were originated to small businesses. Small business lending data were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less. In 2011, 46% of Susquehanna's small business loans were extended in an amount of \$100 thousand or less. Aggregate 2011 data show that 95% of all small business loans made in the assessment area were originated in amounts of \$100 thousand or less.

In considering the 2011 aggregate data, it should be noted that the data include loans originated under corporate credit card programs in which credit cards may be issued to a company's employees for business-related use. The credit card-related loans, reported as small business loans for CRA purposes, are generally originated in lower dollar amounts, thereby skewing aggregate small business loan data. In the Atlantic City assessment area, American Express Bank, FSB was the market leader with 26% of all small business loans.

For 2012, Susquehanna originated 53 small business loans, aggregating \$12.2 million, 36% of which were originated to small businesses and 38% of the bank's small business loans were extended in an amount of \$100 thousand or less. Aggregate 2012 data for CRA small business loans were not available at the time of the evaluation for comparison.

Susquehanna's use of flexible lending programs help address the specific credit needs of small businesses and enhance the bank's small business lending profile. Toward that effort, the bank provided 771 small business leases in the state of New Jersey, aggregating \$64 million, during the examination period.

### **Community Development Loans**

Susquehanna made an adequate level of community development loans in the Atlantic City assessment area. During the period evaluated, the bank originated one community development loan for \$50 thousand that supported the provision of community development services.

### **INVESTMENT TEST**

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income census tracts or individuals as well as the innovativeness and complexity of such investments. Qualified investments made before the previous evaluation, which are still outstanding, are considered under this test. For purposes of CRA, the term "qualified investment" includes a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Performance under the investment test is assessed as high satisfactory in the Atlantic City assessment area. Of Susquehanna's total current investments, \$3.2 million, or 5% are attributed to this assessment area.

### **Volume of Investment and Grant Activity**

Susquehanna has a significant level of qualified community development investments and grants in the Atlantic City assessment area. Investments aggregate \$3.2 million, which represents an increase from the \$2.6 million reported at the previous examination. The substantial majority of these investment dollars (75%) support affordable housing. The remaining 25% of investment dollars support economic development and small business financing.

The bank's investments include a \$795 thousand investment in a Small Business Administration loan fund targeted to the assessment area. An additional \$526 thousand consisted of targeted mortgage-backed securities containing residential-mortgage loans originated to low- and moderate-income borrowers, or low- and moderate-income census tracts in the assessment area. The bank also holds a \$1.8 million share in the New Jersey Housing Finance Agency Single-Family Mortgage Revenue Bond which finances homes for low- and moderate-income families in New Jersey.

The bank made grants and contributions to various organizations that routinely provide affordable housing, economic development, and community development services that benefit low- and moderate-income individuals and areas. During the period evaluated, the bank made \$22 thousand in qualified grants and donations that benefit the Atlantic City assessment area.

### **Responsiveness to Credit and Community Development Needs**

Susquehanna exhibits good responsiveness to credit and community economic development needs through the use of investments. The largest portion of the bank's investments supports affordable housing for low- and moderate-income residents, a demonstrated need in the Atlantic City assessment area.

## **SERVICE TEST**

The service test evaluates the financial services provided by a financial institution using the following characteristics.

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

The bank's performance under the service test is assessed as low satisfactory in the Atlantic City assessment area.

### **Accessibility of Delivery Systems**

The bank's delivery systems are accessible to limited portions of the assessment area. In 2011, Susquehanna operated six branches in the assessment area with all of the branches located in middle-income census tracts. By comparison, 20% of the assessment area population resided in the low- and moderate-income tracts and 61% reside in middle-income tracts.

In 2012, Susquehanna operated 6 branches in the assessment area, five of the branches were located in middle-income tracts and one was in an upper-income tract. By comparison, 27% of the assessment area population resided in the low- and moderate- income tracts and 50% resided in middle- income tracts.

In the Atlantic City assessment area, the highest concentrations of low- and moderate-income individuals are located in Atlantic City and its immediate surroundings. Fourteen of the 15 low- and moderate-income tracts are either in or contiguous to the ocean-front city. None of the bank's branches are reasonably accessible to these low- and moderate-income communities. Susquehanna operates one branch in Linwood, NJ, located 20 miles from these neighborhoods. The other five branches are clustered in the far western edge of the assessment area.

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The following table details the locations of the bank's branches and the population served.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>ATLANTIC CITY ASSESSMENT AREA |                    |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 0                  | 0                | 10,875         | 4                  |
| Moderate-income   | 0                  | 0                | 40,624         | 16                 |
| Middle-income   | 6                  | 100              | 154,785        | 61                 |
| Upper-income  | 0                  | 0                | 44,238         | 18                 |
| Unknown-income  | NA                 | N/A              | 2,030          | 1                  |
| <b>Totals</b>   | <b>6</b>           | <b>100%</b>      | <b>252,552</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)  |                    |                  |                |                    |
| Census Tract Type   | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income  | 0                  | 0                | 18,810         | 7                  |
| Moderate-income   | 0                  | 0                | 54,410         | 20                 |
| Middle-income   | 5                  | 83               | 136,030        | 50                 |
| Upper-income  | 1                  | 17               | 62,882         | 23                 |
| Unknown-income  | NA                 | N/A              | 2,417          | 1                  |
| <b>Totals</b>   | <b>6</b>           | <b>100%</b>      | <b>274,549</b> | <b>100%</b>        |

Susquehanna offers its entire customer base a number of alternative delivery system options. The bank provides free *Internet Banker* where customers have 24-hour access to both deposit and loan accounts. Customers can view account balances, transfer funds, open new accounts, issue stop payments and pay bills. The bank continues to offer *Mobile Banking* as a free service which allows customers to access *Internet Banker* from a mobile device. *Mobile Banking* includes text banking which as a subset of its mobile banking services is a convenience to customers who do not have Internet access on their mobile phones. By text, customers can monitor account balances, including recent transaction activity.

Susquehanna also maintains free telephone banking. Through its *Direct Dial* service, customers can monitor account balances, make transfers, or review account histories 24-hours per day. Customer service representatives are available on Saturdays, during evening hours until 8 pm, and are fluent in Spanish.

**Bank Products**

Consistent with products offered in other assessment areas, Susquehanna offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

*Stellar Checking* with unlimited check writing, no minimum daily balance requirement, and no monthly service fee. This account is free if customers choose to receive electronic statements. The bank charges customers \$3.00 per month for paper statements. *Internet Banker* and *Direct Dial* telephone banking are free of charge with this account. This account provides greater access to banking services for low- and moderate-income customers.

*Business Checking* is an account with no monthly service fee and no minimum balance requirement for businesses with low monthly transaction volumes. *Internet Banker for Business* is offered free with this account. *Business Checking* provides greater access to banking services for small businesses.

### **Changes in Branch Location**

There have been no branch openings or closings in the Atlantic City assessment area since the last evaluation period.

### **Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

Services, including business hours, do not vary among branch offices in a way that inconveniences portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Banking services are offered in a uniform and consistent manner among all branches. All six branches in the assessment area offer Saturday morning business hours at both the lobbies and drive-up windows.

### **Community Development Services**

Susquehanna provides a relatively high level of community development services in the Atlantic City assessment area. During the evaluation period, Susquehanna had three employees serve on the boards of the following four community development organizations.

- The Buena Vista Township Economic Development Board promotes business development in Buena, NJ.
- The Buena Housing Authority operates a 60-unit HUD subsidized affordable rental housing facility.
- The Salvation Army of Landisville provides social services, job training, and a food pantry to the low- and moderate-income population.
- Hammonton Revitalization Corporation promotes the physical, environmental, economic and social revitalization of the Main Street district in Hammonton, NJ.

In addition, two Susquehanna bank employees provided financial literacy education to sixty students at Charter Tech High School for Performing Arts in Somers Point, NJ, a moderate-income community.

## LIMITED REVIEW ASSESSMENT AREA CONCLUSIONS

A limited review of Susquehanna's CRA performance was conducted in the Vineland-Millville-Bridgeton, NJ MSA. While a full review was conducted and greater weight was given to the bank's performance in the Atlantic City assessment area, bank performance in the Vineland-Millville-Bridgeton MSA was determined to be consistent with the bank's performance in the full review assessment area. Facts and data reviewed, including performance and demographic information, can be found in the appendices attached to this evaluation.

Conclusions regarding performance, which did not impact the overall institution rating, are as follows:

| Assessment Area | Lending Test | Investment Test | Service Test |
|-----------------|--------------|-----------------|--------------|
| Vineland        | Exceeds      | Consistent      | Exceeds      |

### VINELAND ASSESSMENT AREA

Situated in southeastern New Jersey, the Vineland-Millville-Bridgeton MSA (Vineland MSA) consists of Cumberland County. As of the 2000 Census, the MSA was comprised of 34 census tracts, of which two were designated as low-income and seven as moderate-income. The low- and moderate-income census tracts were all located in the cities of Vineland, Bridgeton, and Millville. Twenty-three percent of the assessment area's population resided within these tracts.

At the 2010 Census, the MSA had 34 census tracts, of which 4 were designated as low-income and 5 as moderate. The low- and moderate-income census tracts were all located in the cities of Vineland, Bridgeton, and Millville. Twenty-six percent of the assessment area's population resided within these tracts.

Susquehanna's performance in the assessment area was evaluated in terms of the demographic and business context in which it operates. The FDIC's Summary of Deposits as of June 30, 2012, showed 12 depository institutions operated in the Vineland MSA. These 12 institutions maintained a total of 42 branches, holding \$2.6 billion in deposits. Susquehanna operated six of these branches, with \$368 million in deposits. The bank ranked third in the MSA, controlling 14% of the retail deposit market. Sun National Bank ranked first with 20% of the market. Of Susquehanna's total deposits, 3% are from the Vineland MSA.

During the evaluation period, Susquehanna originated 94 home-mortgage loans aggregating \$12.1 million and 160 small business loans aggregating \$31.4 million. Of the 94 home-mortgage loans, 13% were originated in low- and moderate-income census tracts, and 32% were to low- or moderate-income borrowers. Of the 160 small business loans, 18% were originated in low- and moderate-income census tracts and 36% were to small businesses.

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The bank was a leader in making community development loans in the Vineland assessment area during the period evaluated. Susquehanna made ten community development loans totaling \$33.4 million in the Vineland assessment area. Six loans totaling \$28.6 million support community services and four loans totaling \$4.8 million support affordable housing in the assessment area. Community development lending by the bank in the Vineland assessment area increased greatly compared to the prior evaluation period.

Susquehanna also holds \$2.4 million in qualified community development investments in the assessment area, largely targeted to affordable housing. Of Susquehanna's total current investments, 4% are attributed to this assessment area. Community development investments declined in comparison to the previous examination.

The following tables show the demographics for the Vineland assessment area at the 2000 Census and 2010 Census.

| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>VINELAND ASSESSMENT AREA<br>2011 |                                 |                                    |                          |              |  |              |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |              | Families < Poverty Level as % of Families by Tract |              | Families by Family Income |              |
|  | #                               | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income   | 2                               | 5.9                                | 947                      | 2.7          | 365  | 38.5         | 7,697                     | 21.8         |
| Moderate-income  | 7                               | 20.6                               | 5,713                    | 16.2         | 1,277  | 22.4         | 6,209                     | 17.6         |
| Middle-income  | 15                              | 44.1                               | 19,607                   | 55.4         | 1,985  | 10.1         | 7,196                     | 20.3         |
| Upper-income   | 7                               | 20.6                               | 9,106                    | 25.7         | 377  | 4.1          | 14,271                    | 40.3         |
| Unknown income   | 3                               | 8.8                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>34</b>                       | <b>100.0</b>                       | <b>35,373</b>            | <b>100.0</b> | <b>4,004</b>                                       | <b>11.3</b>  | <b>35,373</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |              |  |              |                           |              |
|  |                                 | Owner-occupied                     |                          |              | Rental   |              | Vacant                    |              |
|  | #                               | #                                  | %                        | %            | #  | %            | #                         | %            |
| Low-income   | 1,467                           | 520                                | 1.6                      | 35.4         | 771  | 52.6         | 176                       | 12.0         |
| Moderate-income  | 9,020                           | 3,341                              | 10.0                     | 37.0         | 4,960  | 55.0         | 719                       | 8.0          |
| Middle-income  | 29,317                          | 19,730                             | 59.1                     | 67.3         | 7,299  | 24.9         | 2,288                     | 7.8          |
| Upper-income   | 13,059                          | 9,801                              | 29.4                     | 75.1         | 2,721  | 20.8         | 537                       | 4.1          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>52,863</b>                   | <b>33,392</b>                      | <b>100.0</b>             | <b>63.2</b>  | <b>15,751</b>                                      | <b>29.8</b>  | <b>3,720</b>              | <b>7.0</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |              |  |              |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          |              | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|  | #                               | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low-income   | 544                             | 8.4                                | 447                      | 7.9          | 25   | 4.9          | 72                        | 22.1         |
| Moderate-income  | 1,025                           | 15.8                               | 892                      | 15.8         | 77   | 15.2         | 56                        | 17.2         |
| Middle-income  | 3,073                           | 47.3                               | 2,667                    | 47.1         | 268  | 53.0         | 138                       | 42.3         |
| Upper-income   | 1,851                           | 28.5                               | 1,655                    | 29.2         | 136  | 26.9         | 60                        | 18.4         |
| Unknown income   | 0                               | 0.0                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>6,493</b>                    | <b>100.0</b>                       | <b>5,661</b>             | <b>100.0</b> | <b>506</b>   | <b>100.0</b> | <b>326</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | <b>87.2</b>  | <b>7.8</b>   | <b>5.0</b>   |                           |              |



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| SUSQUEHANNA BANK<br>ASSESSMENT AREA DEMOGRAPHICS<br>VINELAND ASSESSMENT AREA<br>2012 |                                 |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories  | Tract Distribution              |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 4                               | 11.8                               | 1,557                    | 4.4              | 519  | 33.3                 | 8,426                     | 23.9         |
| Moderate-income  | 5                               | 14.7                               | 5,840                    | 16.6             | 1,371  | 23.5                 | 5,568                     | 15.8         |
| Middle-income  | 16                              | 47.1                               | 20,214                   | 57.4             | 2,285  | 11.3                 | 7,005                     | 19.9         |
| Upper-income   | 6                               | 17.6                               | 7,599                    | 21.6             | 330  | 4.3                  | 14,211                    | 40.4         |
| Unknown income   | 3                               | 8.8                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>34</b>                       | <b>100.0</b>                       | <b>35,210</b>            | <b>100.0</b>     | <b>4,505</b>                                       | <b>12.8</b>          | <b>35,210</b>             | <b>100.0</b> |
|  | Housing Units by Tract          | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                     |                          | Rental           |  | Vacant               |                           |              |
|  | #                               | #                                  | %                        | %                | #  | %                    | #                         | %            |
| Low-income   | 3,053                           | 746                                | 2.2                      | 24.4             | 1,930  | 63.2                 | 377                       | 12.3         |
| Moderate-income  | 9,679                           | 4,014                              | 11.7                     | 41.5             | 4,371  | 45.2                 | 1,294                     | 13.4         |
| Middle-income  | 31,921                          | 21,198                             | 61.9                     | 66.4             | 8,500  | 26.6                 | 2,223                     | 7.0          |
| Upper-income   | 10,753                          | 8,303                              | 24.2                     | 77.2             | 1,763  | 16.4                 | 687                       | 6.4          |
| Unknown income   | 0                               | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>55,406</b>                   | <b>34,261</b>                      | <b>100.0</b>             | <b>61.8</b>      | <b>16,564</b>                                      | <b>29.9</b>          | <b>4,581</b>              | <b>8.3</b>   |
|  | Total Businesses by Tract       | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  | #                               | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income   | 653                             | 10.2                               | 536                      | 9.6              | 32   | 6.4                  | 85                        | 26.2         |
| Moderate-income  | 967                             | 15.1                               | 860                      | 15.5             | 64   | 12.8                 | 43                        | 13.3         |
| Middle-income  | 3,583                           | 56.1                               | 3,084                    | 55.4             | 343  | 68.7                 | 156                       | 48.1         |
| Upper-income   | 1,182                           | 18.5                               | 1,082                    | 19.4             | 60   | 12.0                 | 40                        | 12.3         |
| Unknown income   | 3                               | 0.0                                | 3                        | 0.1              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>   | <b>6,388</b>                    | <b>100.0</b>                       | <b>5,565</b>             | <b>100.0</b>     | <b>499</b>   | <b>100.0</b>         | <b>324</b>                | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                    |                          | 87.1             | 7.8  |                      | 5.1                       |              |

The following table details the locations of the bank's branches in the Vineland assessment area, compared to the population.

| SUSQUEHANNA BANK<br>RETAIL BRANCH DISTRIBUTION<br>VINELAND ASSESSMENT AREA |                    |                  |                |                    |
|--|--------------------|------------------|----------------|--------------------|
| 2011 (Demographics based on 2000 Census)                                   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 0                  | 0                | 7,426          | 5                  |
| Moderate-income  | 2                  | 40               | 25,630         | 9                  |
| Middle-income  | 1                  | 20               | 79,239         | 54                 |
| Upper-income   | 2                  | 40               | 34,143         | 23                 |
| <b>Totals</b>  | <b>5</b>           | <b>100%</b>      | <b>146,438</b> | <b>100%</b>        |
| 2012 (Demographics based on 2010 Census)                                   |                    |                  |                |                    |
| Census Tract Type  | Number of Branches | Percent Branches | Population     | Percent Population |
| Low-income   | 1                  | 20               | 12,675         | 8                  |
| Moderate-income  | 0                  | 0                | 28,561         | 18                 |
| Middle-income  | 3                  | 60               | 81,798         | 52                 |
| Upper-income   | 1                  | 20               | 28,203         | 18                 |
| Unknown-income   | NA                 | NA               | 5,661          | 4                  |
| <b>Totals</b>  | <b>5</b>           | <b>100%</b>      | <b>30,097</b>  | <b>100%</b>        |

**CRA APPENDICES**

**CRA APPENDIX A: GLOSSARY**

**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 metropolitan area or assessment area.

**Census tract:** 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 statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and its 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:** All agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals, community services targeted to low- or moderate-income individuals, activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less, or activities that revitalize or stabilize low- or moderate-income geographies.

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

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

**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-scope review:** Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

**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-scope review:** Performance under the lending, investment, and service tests is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

**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.

**CRA APPENDIX B: HMDA LOAN DISTRIBUTION TABLES**

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**2011 HMDA LOAN DISTRIBUTION TABLE (ALLEGANY COUNTY ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 16.7%         | 39           | 10.2%         |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 5                       | 83.3%         | 345          | 89.8%         | 2                  | 33.3%         | 154          | 40.1%         |
| Upper             | 1                       | 16.7%         | 39           | 10.2%         | 3                  | 50.0%         | 191          | 49.7%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>384</b>   | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>384</b>   | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 16.7%         | 130          | 16.9%         |
| Middle            | 5                       | 83.3%         | 682          | 88.9%         | 1                  | 16.7%         | 85           | 11.1%         |
| Upper             | 1                       | 16.7%         | 85           | 11.1%         | 4                  | 66.7%         | 552          | 72.0%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>767</b>   | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>767</b>   | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 11.1%         | 4            | 3.4%          |
| Moderate          | 2                       | 22.2%         | 61           | 52.6%         | 5                  | 55.6%         | 39           | 33.6%         |
| Middle            | 5                       | 55.6%         | 30           | 25.9%         | 1                  | 11.1%         | 5            | 4.3%          |
| Upper             | 2                       | 22.2%         | 25           | 21.6%         | 2                  | 22.2%         | 68           | 58.6%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>9</b>                | <b>100.0%</b> | <b>116</b>   | <b>100.0%</b> | <b>9</b>           | <b>100.0%</b> | <b>116</b>   | <b>100.0%</b> |
|                   | <b>Multifamily</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 9.5%          | 43           | 3.4%          |
| Moderate          | 2                       | 9.5%          | 61           | 4.8%          | 6                  | 28.6%         | 169          | 13.3%         |
| Middle            | 15                      | 71.4%         | 1,057        | 83.4%         | 4                  | 19.0%         | 244          | 19.3%         |
| Upper             | 4                       | 19.0%         | 149          | 11.8%         | 9                  | 42.9%         | 811          | 64.0%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>21</b>               | <b>100.0%</b> | <b>1,267</b> | <b>100.0%</b> | <b>21</b>          | <b>100.0%</b> | <b>1,267</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (ALLENTOWN ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 1                       | 5.9%          | 56           | 2.3%          | 4                  | 23.5%         | 379          | 15.4%         |
| Moderate          | 2                       | 11.8%         | 204          | 8.3%          | 5                  | 29.4%         | 699          | 28.4%         |
| Middle            | 12                      | 70.6%         | 1,825        | 74.2%         | 2                  | 11.8%         | 348          | 14.1%         |
| Upper             | 2                       | 11.8%         | 376          | 15.3%         | 4                  | 23.5%         | 735          | 29.9%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 11.8%         | 300          | 12.2%         |
| <b>Total</b>      | <b>17</b>               | <b>100.0%</b> | <b>2,461</b> | <b>100.0%</b> | <b>17</b>          | <b>100.0%</b> | <b>2,461</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 9.1%          | 125          | 9.1%          |
| Moderate          | 2                       | 18.2%         | 248          | 18.0%         | 5                  | 45.5%         | 588          | 42.6%         |
| Middle            | 5                       | 45.5%         | 526          | 38.1%         | 2                  | 18.2%         | 252          | 18.3%         |
| Upper             | 4                       | 36.4%         | 605          | 43.9%         | 2                  | 18.2%         | 331          | 24.0%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 9.1%          | 83           | 6.0%          |
| <b>Total</b>      | <b>11</b>               | <b>100.0%</b> | <b>1,379</b> | <b>100.0%</b> | <b>11</b>          | <b>100.0%</b> | <b>1,379</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 25.0%         | 14           | 2.3%          |
| Moderate          | 1                       | 12.5%         | 5            | 0.8%          | 1                  | 12.5%         | 168          | 27.5%         |
| Middle            | 4                       | 50.0%         | 187          | 30.7%         | 1                  | 12.5%         | 18           | 3.0%          |
| Upper             | 3                       | 37.5%         | 418          | 68.5%         | 4                  | 50.0%         | 410          | 67.2%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>8</b>                | <b>100.0%</b> | <b>610</b>   | <b>100.0%</b> | <b>8</b>           | <b>100.0%</b> | <b>610</b>   | <b>100.0%</b> |
|                   | <b>Multifamily</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 1                       | 2.8%          | 56           | 1.3%          | 7                  | 19.4%         | 518          | 11.6%         |
| Moderate          | 5                       | 13.9%         | 457          | 10.3%         | 11                 | 30.6%         | 1,455        | 32.7%         |
| Middle            | 21                      | 58.3%         | 2,538        | 57.0%         | 5                  | 13.9%         | 618          | 13.9%         |
| Upper             | 9                       | 25.0%         | 1,399        | 31.4%         | 10                 | 27.8%         | 1,476        | 33.2%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 8.3%          | 383          | 8.6%          |
| <b>Total</b>      | <b>36</b>               | <b>100.0%</b> | <b>4,450</b> | <b>100.0%</b> | <b>36</b>          | <b>100.0%</b> | <b>4,450</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (ATLANTIC CITY ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 5.9%          | 58            | 1.2%          |
| Moderate          | 1                       | 5.9%          | 215           | 4.4%          | 5                  | 29.4%         | 550           | 11.3%         |
| Middle            | 14                      | 82.4%         | 3,048         | 62.6%         | 3                  | 17.6%         | 440           | 9.0%          |
| Upper             | 2                       | 11.8%         | 1,606         | 33.0%         | 8                  | 47.1%         | 3,821         | 78.5%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>17</b>               | <b>100.0%</b> | <b>4,869</b>  | <b>100.0%</b> | <b>17</b>          | <b>100.0%</b> | <b>4,869</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 4.3%          | 110           | 0.8%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 26.1%         | 1,496         | 11.1%         |
| Middle            | 19                      | 82.6%         | 6,268         | 46.7%         | 5                  | 21.7%         | 879           | 6.5%          |
| Upper             | 4                       | 17.4%         | 7,162         | 53.3%         | 8                  | 34.8%         | 5,958         | 44.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 13.0%         | 4,987         | 37.1%         |
| <b>Total</b>      | <b>23</b>               | <b>100.0%</b> | <b>13,430</b> | <b>100.0%</b> | <b>23</b>          | <b>100.0%</b> | <b>13,430</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 16.7%         | 50            | 8.8%          |
| Middle            | 5                       | 83.3%         | 290           | 51.0%         | 1                  | 16.7%         | 25            | 4.4%          |
| Upper             | 1                       | 16.7%         | 279           | 49.0%         | 4                  | 66.7%         | 494           | 86.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>569</b>    | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>569</b>    | <b>100.0%</b> |
|                   | <b>Multifamily</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 2                       | 100.0%        | 130           | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 100.0%        | 130           | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>130</b>    | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>130</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 4.2%          | 168           | 0.9%          |
| Moderate          | 1                       | 2.1%          | 215           | 1.1%          | 12                 | 25.0%         | 2,096         | 11.0%         |
| Middle            | 40                      | 83.3%         | 9,736         | 51.2%         | 9                  | 18.8%         | 1,344         | 7.1%          |
| Upper             | 7                       | 14.6%         | 9,047         | 47.6%         | 20                 | 41.7%         | 10,273        | 54.1%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 10.4%         | 5,117         | 26.9%         |
| <b>Total</b>      | <b>48</b>               | <b>100.0%</b> | <b>18,998</b> | <b>100.0%</b> | <b>48</b>          | <b>100.0%</b> | <b>18,998</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |                |               |                    |               |                |               |
|-------------------|-------------------------|---------------|----------------|---------------|--------------------|---------------|----------------|---------------|
|                   | By Tract Income         |               |                |               | By Borrower Income |               |                |               |
|                   | #                       | %             | \$(000s)       | %             | #                  | %             | \$(000s)       | %             |
|                   | <b>Home Purchase</b>    |               |                |               |                    |               |                |               |
| Low               | 8                       | 4.5%          | 1,564          | 1.8%          | 10                 | 5.6%          | 1,348          | 1.6%          |
| Moderate          | 10                      | 5.6%          | 2,016          | 2.3%          | 17                 | 9.5%          | 3,006          | 3.5%          |
| Middle            | 52                      | 29.1%         | 14,765         | 17.1%         | 21                 | 11.7%         | 5,915          | 6.9%          |
| Upper             | 109                     | 60.9%         | 67,857         | 78.7%         | 120                | 67.0%         | 68,817         | 79.8%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 11                 | 6.1%          | 7,116          | 8.3%          |
| <b>Total</b>      | <b>179</b>              | <b>100.0%</b> | <b>86,202</b>  | <b>100.0%</b> | <b>179</b>         | <b>100.0%</b> | <b>86,202</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |                |               |                    |               |                |               |
| Low               | 1                       | 0.9%          | 46             | 0.1%          | 8                  | 6.8%          | 999            | 2.3%          |
| Moderate          | 1                       | 0.9%          | 32             | 0.1%          | 10                 | 8.5%          | 1,601          | 3.7%          |
| Middle            | 46                      | 39.3%         | 13,723         | 31.6%         | 27                 | 23.1%         | 5,934          | 13.7%         |
| Upper             | 69                      | 59.0%         | 29,568         | 68.2%         | 66                 | 56.4%         | 33,100         | 76.3%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 6                  | 5.1%          | 1,735          | 4.0%          |
| <b>Total</b>      | <b>117</b>              | <b>100.0%</b> | <b>43,369</b>  | <b>100.0%</b> | <b>117</b>         | <b>100.0%</b> | <b>43,369</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 1                  | 5.9%          | 124            | 5.6%          |
| Moderate          | 2                       | 11.8%         | 139            | 6.3%          | 7                  | 41.2%         | 431            | 19.5%         |
| Middle            | 8                       | 47.1%         | 576            | 26.1%         | 1                  | 5.9%          | 15             | 0.7%          |
| Upper             | 7                       | 41.2%         | 1,491          | 67.6%         | 8                  | 47.1%         | 1,636          | 74.2%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| <b>Total</b>      | <b>17</b>               | <b>100.0%</b> | <b>2,206</b>   | <b>100.0%</b> | <b>17</b>          | <b>100.0%</b> | <b>2,206</b>   | <b>100.0%</b> |
|                   | <b>Multifamily</b>      |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Moderate          | 1                       | 20.0%         | 1,800          | 21.8%         | 0                  | 0.0%          | 0              | 0.0%          |
| Middle            | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Upper             | 4                       | 80.0%         | 6,462          | 78.2%         | 0                  | 0.0%          | 0              | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 5                  | 100.0%        | 8,262          | 100.0%        |
| <b>Total</b>      | <b>5</b>                | <b>100.0%</b> | <b>8,262</b>   | <b>100.0%</b> | <b>5</b>           | <b>100.0%</b> | <b>8,262</b>   | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |                |               |                    |               |                |               |
| Low               | 9                       | 2.8%          | 1,610          | 1.1%          | 19                 | 6.0%          | 2,471          | 1.8%          |
| Moderate          | 14                      | 4.4%          | 3,987          | 2.8%          | 34                 | 10.7%         | 5,038          | 3.6%          |
| Middle            | 106                     | 33.3%         | 29,064         | 20.8%         | 49                 | 15.4%         | 11,864         | 8.5%          |
| Upper             | 189                     | 59.4%         | 105,378        | 75.2%         | 194                | 61.0%         | 103,553        | 73.9%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 22                 | 6.9%          | 17,113         | 12.2%         |
| <b>Total</b>      | <b>318</b>              | <b>100.0%</b> | <b>140,039</b> | <b>100.0%</b> | <b>318</b>         | <b>100.0%</b> | <b>140,039</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (GARRETT COUNTY ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 11.1%         | 86           | 3.5%          |
| Moderate          | 4                       | 44.4%         | 636          | 25.8%         | 2                  | 22.2%         | 203          | 8.2%          |
| Middle            | 5                       | 55.6%         | 1,826        | 74.2%         | 1                  | 11.1%         | 185          | 7.5%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 4                  | 44.4%         | 1,413        | 57.4%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 11.1%         | 575          | 23.4%         |
| <b>Total</b>      | <b>9</b>                | <b>100.0%</b> | <b>2,462</b> | <b>100.0%</b> | <b>9</b>           | <b>100.0%</b> | <b>2,462</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 7.1%          | 156          | 3.5%          |
| Moderate          | 9                       | 64.3%         | 2,585        | 58.6%         | 3                  | 21.4%         | 387          | 8.8%          |
| Middle            | 5                       | 35.7%         | 1,828        | 41.4%         | 1                  | 7.1%          | 27           | 0.6%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 8                  | 57.1%         | 3,503        | 79.4%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 7.1%          | 340          | 7.7%          |
| <b>Total</b>      | <b>14</b>               | <b>100.0%</b> | <b>4,413</b> | <b>100.0%</b> | <b>14</b>          | <b>100.0%</b> | <b>4,413</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>Multifamily</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 8.7%          | 242          | 3.5%          |
| Moderate          | 13                      | 56.5%         | 3,221        | 46.9%         | 5                  | 21.7%         | 590          | 8.6%          |
| Middle            | 10                      | 43.5%         | 3,654        | 53.1%         | 2                  | 8.7%          | 212          | 3.1%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 12                 | 52.2%         | 4,916        | 71.5%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 8.7%          | 915          | 13.3%         |
| <b>Total</b>      | <b>23</b>               | <b>100.0%</b> | <b>6,875</b> | <b>100.0%</b> | <b>23</b>          | <b>100.0%</b> | <b>6,875</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 11                 | 13.1%         | 865           | 7.4%          |
| Moderate          | 14                      | 16.7%         | 1,143         | 9.8%          | 26                 | 31.0%         | 3,201         | 27.5%         |
| Middle            | 54                      | 64.3%         | 7,764         | 66.7%         | 15                 | 17.9%         | 2,199         | 18.9%         |
| Upper             | 16                      | 19.0%         | 2,735         | 23.5%         | 18                 | 21.4%         | 3,863         | 33.2%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 14                 | 16.7%         | 1,514         | 13.0%         |
| <b>Total</b>      | <b>84</b>               | <b>100.0%</b> | <b>11,642</b> | <b>100.0%</b> | <b>84</b>          | <b>100.0%</b> | <b>11,642</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 9.3%          | 332           | 2.8%          |
| Moderate          | 5                       | 9.3%          | 345           | 2.9%          | 7                  | 13.0%         | 765           | 6.5%          |
| Middle            | 34                      | 63.0%         | 5,915         | 50.4%         | 11                 | 20.4%         | 1,565         | 13.3%         |
| Upper             | 14                      | 25.9%         | 5,293         | 45.1%         | 28                 | 51.9%         | 8,782         | 74.8%         |
| Unknown           | 1                       | 1.9%          | 188           | 1.6%          | 3                  | 5.6%          | 297           | 2.5%          |
| <b>Total</b>      | <b>54</b>               | <b>100.0%</b> | <b>11,741</b> | <b>100.0%</b> | <b>54</b>          | <b>100.0%</b> | <b>11,741</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 9.1%          | 15            | 0.1%          | 3                  | 27.3%         | 293           | 18.6%         |
| Middle            | 7                       | 63.6%         | 913           | 58.0%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 3                       | 27.3%         | 646           | 41.0%         | 8                  | 72.7%         | 1,281         | 81.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>11</b>               | <b>100.0%</b> | <b>1,574</b>  | <b>100.0%</b> | <b>11</b>          | <b>100.0%</b> | <b>1,574</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 50.0%         | 265           | 51.5%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 50.0%         | 250           | 48.5%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 100.0%        | 515           | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>515</b>    | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>515</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 16                 | 10.6%         | 1,197         | 4.7%          |
| Moderate          | 21                      | 13.9%         | 1,768         | 6.9%          | 36                 | 23.8%         | 4,259         | 16.7%         |
| Middle            | 96                      | 63.6%         | 14,842        | 58.3%         | 26                 | 17.2%         | 3,764         | 14.8%         |
| Upper             | 33                      | 21.9%         | 8,674         | 34.1%         | 54                 | 35.8%         | 13,926        | 54.7%         |
| Unknown           | 1                       | 0.7%          | 188           | 0.7%          | 19                 | 12.6%         | 2,326         | 9.1%          |
| <b>Total</b>      | <b>151</b>              | <b>100.0%</b> | <b>25,472</b> | <b>100.0%</b> | <b>151</b>         | <b>100.0%</b> | <b>25,472</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 22                 | 20.6%         | 1,980         | 12.0%         |
| Moderate          | 16                      | 15.0%         | 1,630         | 9.9%          | 37                 | 34.6%         | 4,064         | 24.7%         |
| Middle            | 72                      | 67.3%         | 10,014        | 60.8%         | 20                 | 18.7%         | 2,688         | 16.3%         |
| Upper             | 19                      | 17.8%         | 4,823         | 29.3%         | 21                 | 19.6%         | 6,094         | 37.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 6.5%          | 1,641         | 10.0%         |
| <b>Total</b>      | <b>107</b>              | <b>100.0%</b> | <b>16,467</b> | <b>100.0%</b> | <b>107</b>         | <b>100.0%</b> | <b>16,467</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 8                  | 13.3%         | 598           | 6.4%          |
| Moderate          | 7                       | 11.7%         | 458           | 4.8%          | 9                  | 15.0%         | 902           | 9.7%          |
| Middle            | 43                      | 71.7%         | 7,586         | 81.2%         | 16                 | 26.7%         | 2,206         | 23.6%         |
| Upper             | 10                      | 16.7%         | 1,299         | 13.9%         | 24                 | 40.0%         | 5,351         | 57.3%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 5.0%          | 280           | 3.0%          |
| <b>Total</b>      | <b>60</b>               | <b>100.0%</b> | <b>9,337</b>  | <b>100.0%</b> | <b>60</b>          | <b>100.0%</b> | <b>9,337</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 2                       | 14.3%         | 16            | 2.0%          | 7                  | 50.0%         | 175           | 22.0%         |
| Middle            | 10                      | 71.4%         | 630           | 79.1%         | 1                  | 7.1%          | 42            | 5.3%          |
| Upper             | 2                       | 14.3%         | 150           | 18.8%         | 5                  | 35.7%         | 465           | 58.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 7.1%          | 114           | 14.3%         |
| <b>Total</b>      | <b>14</b>               | <b>100.0%</b> | <b>796</b>    | <b>100.0%</b> | <b>14</b>          | <b>100.0%</b> | <b>796</b>    | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 3                       | 50.0%         | 3,315         | 59.7%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 3                       | 50.0%         | 2,240         | 40.3%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 100.0%        | 5,555         | 100.0%        |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>5,555</b>  | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>5,555</b>  | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 30                 | 16.0%         | 2,578         | 8.0%          |
| Moderate          | 28                      | 15.0%         | 5,413         | 16.8%         | 53                 | 28.3%         | 5,141         | 16.0%         |
| Middle            | 128                     | 68.4%         | 20,470        | 63.7%         | 37                 | 19.8%         | 4,936         | 15.4%         |
| Upper             | 31                      | 16.6%         | 6,272         | 19.5%         | 50                 | 26.7%         | 11,910        | 37.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 17                 | 9.1%          | 7,590         | 23.6%         |
| <b>Total</b>      | <b>187</b>              | <b>100.0%</b> | <b>32,155</b> | <b>100.0%</b> | <b>187</b>         | <b>100.0%</b> | <b>32,155</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (LANCASTER ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 12                      | 4.6%          | 879           | 2.2%          | 48                 | 18.3%         | 4,236         | 10.6%         |
| Moderate          | 25                      | 9.5%          | 2,233         | 5.6%          | 83                 | 31.7%         | 11,234        | 28.1%         |
| Middle            | 195                     | 74.4%         | 30,295        | 75.7%         | 53                 | 20.2%         | 8,008         | 20.0%         |
| Upper             | 30                      | 11.5%         | 6,630         | 16.6%         | 60                 | 22.9%         | 13,636        | 34.1%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 18                 | 6.9%          | 2,923         | 7.3%          |
| <b>Total</b>      | <b>262</b>              | <b>100.0%</b> | <b>40,037</b> | <b>100.0%</b> | <b>262</b>         | <b>100.0%</b> | <b>40,037</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 2                       | 0.9%          | 155           | 0.4%          | 18                 | 8.3%          | 1,598         | 4.4%          |
| Moderate          | 13                      | 6.0%          | 1,722         | 4.7%          | 55                 | 25.2%         | 6,525         | 18.0%         |
| Middle            | 180                     | 82.6%         | 29,393        | 80.9%         | 45                 | 20.6%         | 6,937         | 19.1%         |
| Upper             | 23                      | 10.6%         | 5,056         | 13.9%         | 82                 | 37.6%         | 18,102        | 49.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 18                 | 8.3%          | 3,164         | 8.7%          |
| <b>Total</b>      | <b>218</b>              | <b>100.0%</b> | <b>36,326</b> | <b>100.0%</b> | <b>218</b>         | <b>100.0%</b> | <b>36,326</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 2                       | 3.2%          | 35            | 0.8%          | 5                  | 8.1%          | 218           | 5.3%          |
| Moderate          | 4                       | 6.5%          | 131           | 3.2%          | 12                 | 19.4%         | 918           | 22.3%         |
| Middle            | 49                      | 79.0%         | 3,575         | 86.8%         | 16                 | 25.8%         | 1,494         | 36.3%         |
| Upper             | 7                       | 11.3%         | 379           | 9.2%          | 26                 | 41.9%         | 1,259         | 30.6%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 4.8%          | 231           | 5.6%          |
| <b>Total</b>      | <b>62</b>               | <b>100.0%</b> | <b>4,120</b>  | <b>100.0%</b> | <b>62</b>          | <b>100.0%</b> | <b>4,120</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 3                       | 100.0%        | 2,840         | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 100.0%        | 2,840         | 100.0%        |
| <b>Total</b>      | <b>3</b>                | <b>100.0%</b> | <b>2,840</b>  | <b>100.0%</b> | <b>3</b>           | <b>100.0%</b> | <b>2,840</b>  | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 16                      | 2.9%          | 1,069         | 1.3%          | 71                 | 13.0%         | 6,052         | 7.3%          |
| Moderate          | 42                      | 7.7%          | 4,086         | 4.9%          | 150                | 27.5%         | 18,677        | 22.4%         |
| Middle            | 427                     | 78.3%         | 66,103        | 79.3%         | 114                | 20.9%         | 16,439        | 19.7%         |
| Upper             | 60                      | 11.0%         | 12,065        | 14.5%         | 168                | 30.8%         | 32,997        | 39.6%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 42                 | 7.7%          | 9,158         | 11.0%         |
| <b>Total</b>      | <b>515</b>              | <b>100.0%</b> | <b>83,323</b> | <b>100.0%</b> | <b>545</b>         | <b>100.0%</b> | <b>83,323</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (LEBANON ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 9.1%          | 101          | 5.8%          |
| Moderate          | 1                       | 9.1%          | 39           | 2.2%          | 3                  | 27.3%         | 268          | 15.5%         |
| Middle            | 8                       | 72.7%         | 1,420        | 81.9%         | 1                  | 9.1%          | 110          | 6.3%          |
| Upper             | 2                       | 18.2%         | 275          | 15.9%         | 5                  | 45.5%         | 1,216        | 70.1%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 9.1%          | 39           | 2.2%          |
| <b>Total</b>      | <b>11</b>               | <b>100.0%</b> | <b>1,734</b> | <b>100.0%</b> | <b>11</b>          | <b>100.0%</b> | <b>1,734</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 16.7%         | 336          | 20.6%         |
| Moderate          | 1                       | 16.7%         | 100          | 6.1%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 5                       | 83.3%         | 1,530        | 93.9%         | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 50.0%         | 1,044        | 64.0%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 33.3%         | 250          | 15.3%         |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>1,630</b> | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>1,630</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 2                       | 66.7%         | 81           | 30.9%         | 2                  | 66.7%         | 81           | 30.9%         |
| Upper             | 1                       | 33.3%         | 181          | 69.1%         | 1                  | 33.3%         | 181          | 69.1%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>3</b>                | <b>100.0%</b> | <b>262</b>   | <b>100.0%</b> | <b>3</b>           | <b>100.0%</b> | <b>262</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 100.0%        | 25           | 100.0%        | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 100.0%        | 25           | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>25</b>    | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>25</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 9.5%          | 437          | 12.0%         |
| Moderate          | 3                       | 14.3%         | 164          | 4.5%          | 3                  | 14.3%         | 268          | 7.3%          |
| Middle            | 15                      | 71.4%         | 3,031        | 83.0%         | 3                  | 14.3%         | 191          | 5.2%          |
| Upper             | 3                       | 14.3%         | 456          | 12.5%         | 9                  | 42.9%         | 2,441        | 66.9%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 4                  | 19.0%         | 314          | 8.6%          |
| <b>Total</b>      | <b>21</b>               | <b>100.0%</b> | <b>3,651</b> | <b>100.0%</b> | <b>21</b>          | <b>100.0%</b> | <b>3,651</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 20                 | 11.6%         | 1,040         | 5.7%          |
| Moderate          | 17                      | 9.8%          | 1,310         | 7.2%          | 55                 | 31.8%         | 4,303         | 23.8%         |
| Middle            | 130                     | 75.1%         | 13,179        | 72.7%         | 46                 | 26.6%         | 5,366         | 29.6%         |
| Upper             | 26                      | 15.0%         | 3,627         | 20.0%         | 46                 | 26.6%         | 6,666         | 36.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 3.5%          | 741           | 4.1%          |
| <b>Total</b>      | <b>173</b>              | <b>100.0%</b> | <b>18,116</b> | <b>100.0%</b> | <b>173</b>         | <b>100.0%</b> | <b>18,116</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 4.2%          | 421           | 2.8%          |
| Moderate          | 10                      | 10.4%         | 1,337         | 9.0%          | 23                 | 24.0%         | 2,193         | 14.7%         |
| Middle            | 70                      | 72.9%         | 10,002        | 67.2%         | 21                 | 21.9%         | 2,252         | 15.1%         |
| Upper             | 16                      | 16.7%         | 3,552         | 23.9%         | 42                 | 43.8%         | 9,180         | 61.6%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 6.3%          | 845           | 5.7%          |
| <b>Total</b>      | <b>96</b>               | <b>100.0%</b> | <b>14,891</b> | <b>100.0%</b> | <b>96</b>          | <b>100.0%</b> | <b>14,891</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 14.3%         | 90            | 3.5%          |
| Moderate          | 6                       | 14.3%         | 83            | 3.2%          | 14                 | 33.3%         | 126           | 4.9%          |
| Middle            | 34                      | 81.0%         | 2,375         | 92.2%         | 13                 | 31.0%         | 136           | 5.3%          |
| Upper             | 2                       | 4.8%          | 117           | 4.5%          | 6                  | 14.3%         | 1,818         | 70.6%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 7.1%          | 405           | 15.7%         |
| <b>Total</b>      | <b>42</b>               | <b>100.0%</b> | <b>2,575</b>  | <b>100.0%</b> | <b>42</b>          | <b>100.0%</b> | <b>2,575</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 100.0%        | 150           | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 100.0%        | 150           | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>150</b>    | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>150</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 30                 | 9.6%          | 1,551         | 4.3%          |
| Moderate          | 34                      | 10.9%         | 2,880         | 8.1%          | 92                 | 29.5%         | 6,622         | 18.5%         |
| Middle            | 234                     | 75.0%         | 25,556        | 71.5%         | 80                 | 25.6%         | 7,754         | 21.7%         |
| Upper             | 44                      | 14.1%         | 7,296         | 20.4%         | 94                 | 30.1%         | 17,664        | 49.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 16                 | 5.1%          | 2,141         | 6.0%          |
| <b>Total</b>      | <b>312</b>              | <b>100.0%</b> | <b>35,732</b> | <b>100.0%</b> | <b>312</b>         | <b>100.0%</b> | <b>35,732</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (PHILADELPHIA-CAMDEN ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |                |               |                    |               |                |               |
|-------------------|-------------------------|---------------|----------------|---------------|--------------------|---------------|----------------|---------------|
|                   | By Tract Income         |               |                |               | By Borrower Income |               |                |               |
|                   | #                       | %             | \$(000s)       | %             | #                  | %             | \$(000s)       | %             |
|                   | <b>Home Purchase</b>    |               |                |               |                    |               |                |               |
| Low               | 7                       | 3.5%          | 636            | 1.2%          | 25                 | 12.4%         | 2,543          | 4.9%          |
| Moderate          | 21                      | 10.4%         | 3,712          | 7.1%          | 54                 | 26.9%         | 8,867          | 17.0%         |
| Middle            | 91                      | 45.3%         | 15,833         | 30.3%         | 42                 | 20.9%         | 8,369          | 16.0%         |
| Upper             | 82                      | 40.8%         | 32,080         | 61.4%         | 70                 | 34.8%         | 29,825         | 57.1%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 10                 | 5.0%          | 2,657          | 5.1%          |
| <b>Total</b>      | <b>201</b>              | <b>100.0%</b> | <b>52,261</b>  | <b>100.0%</b> | <b>201</b>         | <b>100.0%</b> | <b>52,261</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 11                 | 4.9%          | 1,036          | 2.0%          |
| Moderate          | 4                       | 1.8%          | 426            | 0.8%          | 37                 | 16.6%         | 4,518          | 8.6%          |
| Middle            | 97                      | 43.5%         | 15,173         | 28.7%         | 55                 | 24.7%         | 8,750          | 16.6%         |
| Upper             | 122                     | 54.7%         | 37,204         | 70.5%         | 103                | 46.2%         | 34,368         | 65.1%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 17                 | 7.6%          | 4,131          | 7.8%          |
| <b>Total</b>      | <b>223</b>              | <b>100.0%</b> | <b>52,803</b>  | <b>100.0%</b> | <b>223</b>         | <b>100.0%</b> | <b>52,803</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 3                  | 3.8%          | 121            | 1.6%          |
| Moderate          | 3                       | 3.8%          | 246            | 3.3%          | 16                 | 20.3%         | 1,215          | 16.2%         |
| Middle            | 34                      | 43.0%         | 2,327          | 31.1%         | 21                 | 26.6%         | 1,150          | 15.4%         |
| Upper             | 42                      | 53.2%         | 4,909          | 65.6%         | 37                 | 46.8%         | 4,774          | 63.8%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 2                  | 2.5%          | 222            | 3.0%          |
| <b>Total</b>      | <b>79</b>               | <b>100.0%</b> | <b>7,482</b>   | <b>100.0%</b> | <b>79</b>          | <b>100.0%</b> | <b>7,482</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Middle            | 2                       | 50.0%         | 506            | 9.2%          | 0                  | 0.0%          | 0              | 0.0%          |
| Upper             | 2                       | 50.0%         | 5,000          | 90.8%         | 0                  | 0.0%          | 0              | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 4                  | 100.0%        | 5,506          | 100.0%        |
| <b>Total</b>      | <b>4</b>                | <b>100.0%</b> | <b>5,506</b>   | <b>100.0%</b> | <b>4</b>           | <b>100.0%</b> | <b>5,506</b>   | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |                |               |                    |               |                |               |
| Low               | 7                       | 1.4%          | 636            | 0.5%          | 39                 | 7.7%          | 3,700          | 3.1%          |
| Moderate          | 28                      | 5.5%          | 4,384          | 3.7%          | 107                | 21.1%         | 14,600         | 12.4%         |
| Middle            | 224                     | 44.2%         | 33,839         | 28.7%         | 118                | 23.3%         | 18,269         | 15.5%         |
| Upper             | 248                     | 48.9%         | 79,193         | 67.1%         | 210                | 41.4%         | 68,967         | 58.4%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 33                 | 6.5%          | 12,516         | 10.6%         |
| <b>Total</b>      | <b>507</b>              | <b>100.0%</b> | <b>118,052</b> | <b>100.0%</b> | <b>507</b>         | <b>100.0%</b> | <b>118,052</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (READING ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 8.3%          | 484           | 6.3%          |
| Moderate          | 5                       | 8.3%          | 185           | 2.4%          | 16                 | 26.7%         | 1,857         | 24.0%         |
| Middle            | 40                      | 66.7%         | 5,343         | 69.2%         | 16                 | 26.7%         | 2,297         | 29.7%         |
| Upper             | 15                      | 25.0%         | 2,194         | 28.4%         | 18                 | 30.0%         | 2,271         | 29.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 8.3%          | 813           | 10.5%         |
| <b>Total</b>      | <b>60</b>               | <b>100.0%</b> | <b>7,722</b>  | <b>100.0%</b> | <b>60</b>          | <b>100.0%</b> | <b>7,722</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 1                       | 1.8%          | 115           | 1.0%          | 2                  | 3.6%          | 108           | 0.9%          |
| Moderate          | 4                       | 7.3%          | 330           | 2.8%          | 7                  | 12.7%         | 656           | 5.6%          |
| Middle            | 40                      | 72.7%         | 10,060        | 85.6%         | 14                 | 25.5%         | 1,777         | 15.1%         |
| Upper             | 10                      | 18.2%         | 1,249         | 10.6%         | 29                 | 52.7%         | 8,991         | 76.5%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 5.5%          | 222           | 1.9%          |
| <b>Total</b>      | <b>55</b>               | <b>100.0%</b> | <b>11,754</b> | <b>100.0%</b> | <b>65</b>          | <b>100.0%</b> | <b>11,754</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 1                       | 7.1%          | 45            | 3.7%          | 1                  | 7.1%          | 33            | 2.7%          |
| Moderate          | 2                       | 14.3%         | 100           | 8.2%          | 2                  | 14.3%         | 238           | 19.4%         |
| Middle            | 10                      | 71.4%         | 987           | 80.5%         | 5                  | 35.7%         | 170           | 13.9%         |
| Upper             | 1                       | 7.1%          | 94            | 7.7%          | 5                  | 35.7%         | 665           | 54.2%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 7.1%          | 120           | 9.8%          |
| <b>Total</b>      | <b>14</b>               | <b>100.0%</b> | <b>1,226</b>  | <b>100.0%</b> | <b>14</b>          | <b>100.0%</b> | <b>1,226</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 50.0%         | 635           | 69.7%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 50.0%         | 276           | 30.3%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 100.0%        | 911           | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>911</b>    | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>911</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 2                       | 1.5%          | 160           | 0.7%          | 8                  | 6.1%          | 625           | 2.9%          |
| Moderate          | 12                      | 9.2%          | 1,250         | 5.8%          | 25                 | 19.1%         | 2,751         | 12.7%         |
| Middle            | 91                      | 69.5%         | 16,666        | 77.1%         | 35                 | 26.7%         | 4,244         | 19.6%         |
| Upper             | 26                      | 19.8%         | 3,537         | 16.4%         | 52                 | 39.7%         | 11,927        | 55.2%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 11                 | 8.4%          | 2,066         | 9.6%          |
| <b>Total</b>      | <b>131</b>              | <b>100.0%</b> | <b>21,613</b> | <b>100.0%</b> | <b>131</b>         | <b>100.0%</b> | <b>21,613</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (SCRANTON ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |            |               |                    |               |            |               |
|-------------------|-------------------------|---------------|------------|---------------|--------------------|---------------|------------|---------------|
|                   | By Tract Income         |               |            |               | By Borrower Income |               |            |               |
|                   | #                       | %             | \$(000s)   | %             | #                  | %             | \$(000s)   | %             |
|                   | <b>Home Purchase</b>    |               |            |               |                    |               |            |               |
| Low               | 0                       | 0.0%          | 0          | 0.0%          | 2                  | 40.0%         | 97         | 25.9%         |
| Moderate          | 0                       | 0.0%          | 0          | 0.0%          | 2                  | 40.0%         | 192        | 51.2%         |
| Middle            | 5                       | 100.0%        | 375        | 100.0%        | 1                  | 20.0%         | 86         | 22.9%         |
| Upper             | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| <b>Total</b>      | <b>5</b>                | <b>100.0%</b> | <b>375</b> | <b>100.0%</b> | <b>5</b>           | <b>100.0%</b> | <b>375</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |            |               |                    |               |            |               |
| Low               | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Middle            | 1                       | 50.0%         | 80         | 40.0%         | 0                  | 0.0%          | 0          | 0.0%          |
| Upper             | 1                       | 50.0%         | 120        | 60.0%         | 2                  | 100.0%        | 200        | 100.0%        |
| Unknown           | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>200</b> | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>200</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |            |               |                    |               |            |               |
| Low               | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0          | 0.0%          | 2                  | 33.3%         | 6          | 5.5%          |
| Middle            | 4                       | 66.7%         | 79         | 72.5%         | 2                  | 33.3%         | 73         | 67.0%         |
| Upper             | 2                       | 33.3%         | 30         | 27.5%         | 2                  | 33.3%         | 30         | 27.5%         |
| Unknown           | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>109</b> | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>109</b> | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |            |               |                    |               |            |               |
| Low               | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Middle            | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Upper             | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>   | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>   | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |            |               |                    |               |            |               |
| Low               | 0                       | 0.0%          | 0          | 0.0%          | 2                  | 15.4%         | 97         | 14.2%         |
| Moderate          | 0                       | 0.0%          | 0          | 0.0%          | 4                  | 30.8%         | 198        | 28.9%         |
| Middle            | 10                      | 76.9%         | 534        | 78.1%         | 3                  | 23.1%         | 159        | 23.2%         |
| Upper             | 3                       | 23.1%         | 150        | 21.9%         | 4                  | 30.8%         | 230        | 33.6%         |
| Unknown           | 0                       | 0.0%          | 0          | 0.0%          | 0                  | 0.0%          | 0          | 0.0%          |
| <b>Total</b>      | <b>13</b>               | <b>100.0%</b> | <b>684</b> | <b>100.0%</b> | <b>13</b>          | <b>100.0%</b> | <b>684</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION**  
**MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 3.8%          | 243           | 2.0%          |
| Moderate          | 11                      | 14.1%         | 1,537         | 12.7%         | 13                 | 16.7%         | 1,610         | 13.3%         |
| Middle            | 39                      | 50.0%         | 5,551         | 45.7%         | 20                 | 25.6%         | 2,510         | 20.7%         |
| Upper             | 28                      | 35.9%         | 5,057         | 41.6%         | 30                 | 38.5%         | 5,940         | 48.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 12                 | 15.4%         | 1,842         | 15.2%         |
| <b>Total</b>      | <b>78</b>               | <b>100.0%</b> | <b>12,145</b> | <b>100.0%</b> | <b>78</b>          | <b>100.0%</b> | <b>12,145</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 2.0%          | 45            | 0.5%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 14.3%         | 781           | 8.9%          |
| Middle            | 39                      | 79.6%         | 6,948         | 79.5%         | 11                 | 22.4%         | 1,522         | 17.4%         |
| Upper             | 10                      | 20.4%         | 1,790         | 20.5%         | 27                 | 55.1%         | 5,913         | 67.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 6.1%          | 477           | 5.5%          |
| <b>Total</b>      | <b>49</b>               | <b>100.0%</b> | <b>8,738</b>  | <b>100.0%</b> | <b>49</b>          | <b>100.0%</b> | <b>8,738</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 4                       | 100.0%        | 433           | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 100.0%        | 433           | 100.0%        |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>4</b>                | <b>100.0%</b> | <b>433</b>    | <b>100.0%</b> | <b>4</b>           | <b>100.0%</b> | <b>433</b>    | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 25.0%         | 908           | 47.6%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 3                       | 75.0%         | 1,000         | 52.4%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 100.0%        | 1,908         | 100.0%        |
| <b>Total</b>      | <b>4</b>                | <b>100.0%</b> | <b>1,908</b>  | <b>100.0%</b> | <b>4</b>           | <b>100.0%</b> | <b>1,908</b>  | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 3.0%          | 288           | 1.2%          |
| Moderate          | 12                      | 8.9%          | 2,445         | 10.5%         | 20                 | 14.8%         | 2,391         | 10.3%         |
| Middle            | 85                      | 63.0%         | 13,932        | 60.0%         | 31                 | 23.0%         | 4,032         | 17.4%         |
| Upper             | 38                      | 28.1%         | 6,847         | 29.5%         | 61                 | 45.2%         | 12,286        | 52.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 19                 | 14.1%         | 4,227         | 18.2%         |
| <b>Total</b>      | <b>135</b>              | <b>100.0%</b> | <b>23,224</b> | <b>100.0%</b> | <b>135</b>         | <b>100.0%</b> | <b>23,224</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (STATE COLLEGE ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 100.0%        | 140          | 100.0%        | 1                  | 100.0%        | 140          | 100.0%        |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>140</b>   | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>140</b>   | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 2                       | 100.0%        | 2,990        | 100.0%        | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 100.0%        | 2,990        | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>2,990</b> | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>2,990</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 33.3%         | 140          | 4.5%          | 1                  | 33.3%         | 140          | 4.5%          |
| Middle            | 2                       | 66.7%         | 2,990        | 95.5%         | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 66.7%         | 2,990        | 95.5%         |
| <b>Total</b>      | <b>3</b>                | <b>100.0%</b> | <b>3,130</b> | <b>100.0%</b> | <b>3</b>           | <b>100.0%</b> | <b>3,130</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (VINELAND ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 13.3%         | 129          | 6.8%          |
| Moderate          | 2                       | 13.3%         | 284          | 14.9%         | 7                  | 46.7%         | 694          | 36.5%         |
| Middle            | 8                       | 53.3%         | 679          | 35.7%         | 1                  | 6.7%          | 138          | 7.3%          |
| Upper             | 5                       | 33.3%         | 940          | 49.4%         | 5                  | 33.3%         | 942          | 49.5%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>15</b>               | <b>100.0%</b> | <b>1,903</b> | <b>100.0%</b> | <b>15</b>          | <b>100.0%</b> | <b>1,903</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 11.8%         | 155          | 4.1%          |
| Moderate          | 1                       | 5.9%          | 52           | 1.4%          | 1                  | 5.9%          | 92           | 2.5%          |
| Middle            | 8                       | 47.1%         | 2,631        | 70.4%         | 4                  | 23.5%         | 386          | 10.3%         |
| Upper             | 8                       | 47.1%         | 1,054        | 28.2%         | 9                  | 52.9%         | 1,104        | 29.5%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 5.9%          | 2,000        | 53.5%         |
| <b>Total</b>      | <b>17</b>               | <b>100.0%</b> | <b>3,737</b> | <b>100.0%</b> | <b>17</b>          | <b>100.0%</b> | <b>3,737</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 16.7%         | 2            | 0.8%          |
| Moderate          | 2                       | 33.3%         | 58           | 23.1%         | 2                  | 33.3%         | 66           | 26.3%         |
| Middle            | 2                       | 33.3%         | 178          | 70.9%         | 2                  | 33.3%         | 133          | 53.0%         |
| Upper             | 2                       | 33.3%         | 15           | 6.0%          | 1                  | 16.7%         | 50           | 19.9%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>251</b>   | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>251</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 5                  | 13.2%         | 286          | 4.9%          |
| Moderate          | 5                       | 13.2%         | 394          | 6.7%          | 10                 | 26.3%         | 852          | 14.5%         |
| Middle            | 18                      | 47.4%         | 3,488        | 59.2%         | 7                  | 18.4%         | 657          | 11.2%         |
| Upper             | 15                      | 39.5%         | 2,009        | 34.1%         | 15                 | 39.5%         | 2,096        | 35.6%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 2.6%          | 2,000        | 34.0%         |
| <b>Total</b>      | <b>38</b>               | <b>100.0%</b> | <b>5,891</b> | <b>100.0%</b> | <b>38</b>          | <b>100.0%</b> | <b>5,891</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 HMDA LOAN DISTRIBUTION TABLE (WILLIAMSPORT ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 9.8%          | 350           | 5.7%          |
| Moderate          | 3                       | 5.9%          | 283           | 4.6%          | 14                 | 27.5%         | 1,241         | 20.2%         |
| Middle            | 45                      | 88.2%         | 5,461         | 88.9%         | 11                 | 21.6%         | 1,440         | 23.4%         |
| Upper             | 3                       | 5.9%          | 399           | 6.5%          | 18                 | 35.3%         | 2,701         | 44.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 5.9%          | 411           | 6.7%          |
| <b>Total</b>      | <b>51</b>               | <b>100.0%</b> | <b>6,143</b>  | <b>100.0%</b> | <b>51</b>          | <b>100.0%</b> | <b>6,143</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 6.7%          | 191           | 3.7%          |
| Moderate          | 2                       | 4.4%          | 128           | 2.5%          | 3                  | 6.7%          | 237           | 4.5%          |
| Middle            | 41                      | 91.1%         | 4,707         | 90.1%         | 17                 | 37.8%         | 1,872         | 35.8%         |
| Upper             | 2                       | 4.4%          | 388           | 7.4%          | 20                 | 44.4%         | 2,709         | 51.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 4.4%          | 214           | 4.1%          |
| <b>Total</b>      | <b>45</b>               | <b>100.0%</b> | <b>5,223</b>  | <b>100.0%</b> | <b>45</b>          | <b>100.0%</b> | <b>5,223</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 11.8%         | 28            | 4.1%          |
| Moderate          | 3                       | 17.6%         | 78            | 11.5%         | 2                  | 11.8%         | 93            | 13.7%         |
| Middle            | 13                      | 76.5%         | 585           | 86.3%         | 5                  | 29.4%         | 203           | 29.9%         |
| Upper             | 1                       | 5.9%          | 15            | 2.2%          | 7                  | 41.2%         | 342           | 50.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 5.9%          | 12            | 1.8%          |
| <b>Total</b>      | <b>17</b>               | <b>100.0%</b> | <b>678</b>    | <b>100.0%</b> | <b>17</b>          | <b>100.0%</b> | <b>678</b>    | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 10                 | 8.8%          | 569           | 4.7%          |
| Moderate          | 8                       | 7.1%          | 489           | 4.1%          | 19                 | 16.8%         | 1,571         | 13.0%         |
| Middle            | 99                      | 87.6%         | 10,753        | 89.3%         | 33                 | 29.2%         | 3,515         | 29.2%         |
| Upper             | 6                       | 5.3%          | 802           | 6.7%          | 45                 | 39.8%         | 5,752         | 47.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 5.3%          | 637           | 5.3%          |
| <b>Total</b>      | <b>113</b>              | <b>100.0%</b> | <b>12,044</b> | <b>100.0%</b> | <b>113</b>         | <b>100.0%</b> | <b>12,044</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (WORCESTER ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 16.7%         | 53           | 3.3%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 5                       | 83.3%         | 1,550        | 96.7%         | 3                  | 50.0%         | 445          | 27.8%         |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 33.3%         | 1,105        | 68.9%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 16.7%         | 53           | 3.3%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>1,603</b> | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>1,603</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 4                       | 100.0%        | 1,719        | 100.0%        | 1                  | 25.0%         | 143          | 8.3%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 75.0%         | 1,576        | 91.7%         |
| <b>Total</b>      | <b>4</b>                | <b>100.0%</b> | <b>1,719</b> | <b>100.0%</b> | <b>4</b>           | <b>100.0%</b> | <b>1,719</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 1                       | 100.0%        | 105          | 100.0%        | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 100.0%        | 105          | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>105</b>   | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>105</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 1                       | 100.0%        | 1,700        | 100.0%        | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 100.0%        | 1,700        | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>1,700</b> | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>1,700</b> | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 8.3%          | 53           | 1.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 11                      | 91.7%         | 5,074        | 99.0%         | 4                  | 33.3%         | 588          | 11.5%         |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 6                  | 50.0%         | 2,786        | 54.3%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 16.7%         | 1,753        | 34.2%         |
| <b>Total</b>      | <b>12</b>               | <b>100.0%</b> | <b>5,127</b> | <b>100.0%</b> | <b>12</b>          | <b>100.0%</b> | <b>5,127</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2011 HMDA LOAN DISTRIBUTION TABLE (YORK-HANOVER-GETTYSBURG ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 2                       | 0.6%          | 66            | 0.1%          | 48                 | 13.5%         | 4,143         | 7.8%          |
| Moderate          | 16                      | 4.5%          | 1,566         | 3.0%          | 131                | 36.9%         | 17,021        | 32.2%         |
| Middle            | 287                     | 80.8%         | 42,268        | 80.0%         | 88                 | 24.8%         | 14,565        | 27.6%         |
| Upper             | 50                      | 14.1%         | 8,933         | 16.9%         | 79                 | 22.3%         | 15,529        | 29.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 9                  | 2.5%          | 1,575         | 3.0%          |
| <b>Total</b>      | <b>355</b>              | <b>100.0%</b> | <b>52,833</b> | <b>100.0%</b> | <b>355</b>         | <b>100.0%</b> | <b>52,833</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 1                       | 0.8%          | 240           | 1.1%          | 10                 | 7.6%          | 788           | 3.6%          |
| Moderate          | 2                       | 1.5%          | 150           | 0.7%          | 20                 | 15.2%         | 1,796         | 8.2%          |
| Middle            | 98                      | 74.2%         | 16,652        | 75.8%         | 34                 | 25.8%         | 4,773         | 21.7%         |
| Upper             | 31                      | 23.5%         | 4,928         | 22.4%         | 60                 | 45.5%         | 12,802        | 58.3%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 8                  | 6.1%          | 1,811         | 8.2%          |
| <b>Total</b>      | <b>132</b>              | <b>100.0%</b> | <b>21,970</b> | <b>100.0%</b> | <b>132</b>         | <b>100.0%</b> | <b>21,970</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 15.2%         | 126           | 5.8%          |
| Moderate          | 1                       | 3.0%          | 4             | 0.2%          | 6                  | 18.2%         | 429           | 19.8%         |
| Middle            | 30                      | 90.9%         | 2,048         | 94.6%         | 15                 | 45.5%         | 795           | 36.7%         |
| Upper             | 2                       | 6.1%          | 113           | 5.2%          | 7                  | 21.2%         | 815           | 37.6%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>33</b>               | <b>100.0%</b> | <b>2,165</b>  | <b>100.0%</b> | <b>33</b>          | <b>100.0%</b> | <b>2,165</b>  | <b>100.0%</b> |
|                   | <b>Multifamily</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 50.0%         | 270           | 79.4%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 50.0%         | 70            | 20.6%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 100.0%        | 340           | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>340</b>    | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>340</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 3                       | 0.6%          | 306           | 0.4%          | 63                 | 12.1%         | 5,057         | 6.5%          |
| Moderate          | 20                      | 3.8%          | 1,990         | 2.6%          | 157                | 30.1%         | 19,246        | 24.9%         |
| Middle            | 416                     | 79.7%         | 61,038        | 79.0%         | 137                | 26.2%         | 20,133        | 26.0%         |
| Upper             | 83                      | 15.9%         | 13,974        | 18.1%         | 146                | 28.0%         | 29,146        | 37.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 19                 | 3.6%          | 3,726         | 4.8%          |
| <b>Total</b>      | <b>522</b>              | <b>100.0%</b> | <b>77,308</b> | <b>100.0%</b> | <b>522</b>         | <b>100.0%</b> | <b>77,308</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (ALLEGANY COUNTY ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 12.5%         | 118          | 12.4%         | 1                  | 12.5%         | 118          | 12.4%         |
| Middle            | 4                       | 50.0%         | 575          | 60.7%         | 4                  | 50.0%         | 544          | 57.4%         |
| Upper             | 3                       | 37.5%         | 255          | 26.9%         | 3                  | 37.5%         | 286          | 30.2%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>8</b>                | <b>100.0%</b> | <b>948</b>   | <b>100.0%</b> | <b>8</b>           | <b>100.0%</b> | <b>948</b>   | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 14.3%         | 68           | 7.2%          |
| Middle            | 6                       | 85.7%         | 569          | 60.3%         | 1                  | 14.3%         | 165          | 17.5%         |
| Upper             | 1                       | 14.3%         | 375          | 39.7%         | 5                  | 71.4%         | 711          | 75.3%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>7</b>                | <b>100.0%</b> | <b>944</b>   | <b>100.0%</b> | <b>7</b>           | <b>100.0%</b> | <b>944</b>   | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 20.0%         | 5            | 7.4%          |
| Moderate          | 2                       | 40.0%         | 56           | 82.4%         | 1                  | 20.0%         | 38           | 55.9%         |
| Middle            | 2                       | 40.0%         | 9            | 13.2%         | 1                  | 20.0%         | 3            | 4.4%          |
| Upper             | 1                       | 20.0%         | 3            | 4.4%          | 2                  | 40.0%         | 22           | 32.4%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>5</b>                | <b>100.0%</b> | <b>68</b>    | <b>100.0%</b> | <b>5</b>           | <b>100.0%</b> | <b>68</b>    | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 2                       | 100.0%        | 113          | 100.0%        | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 100.0%        | 113          | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>113</b>   | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>113</b>   | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 4.5%          | 5            | 0.2%          |
| Moderate          | 3                       | 13.6%         | 174          | 8.4%          | 3                  | 13.6%         | 224          | 10.8%         |
| Middle            | 14                      | 63.6%         | 1,266        | 61.1%         | 6                  | 27.3%         | 712          | 34.3%         |
| Upper             | 5                       | 22.7%         | 633          | 30.5%         | 10                 | 45.5%         | 1,019        | 49.2%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 9.1%          | 113          | 5.5%          |
| <b>Total</b>      | <b>22</b>               | <b>100.0%</b> | <b>2,073</b> | <b>100.0%</b> | <b>22</b>          | <b>100.0%</b> | <b>2,073</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (ALLENTOWN ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 2                       | 6.1%          | 202          | 3.9%          | 5                  | 15.2%         | 395          | 7.7%          |
| Moderate          | 2                       | 6.1%          | 209          | 4.1%          | 11                 | 33.3%         | 1,280        | 25.0%         |
| Middle            | 24                      | 72.7%         | 3,732        | 73.0%         | 8                  | 24.2%         | 1,109        | 21.7%         |
| Upper             | 5                       | 15.2%         | 972          | 19.0%         | 6                  | 18.2%         | 1,752        | 34.3%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 9.1%          | 579          | 11.3%         |
| <b>Total</b>      | <b>33</b>               | <b>100.0%</b> | <b>5,115</b> | <b>100.0%</b> | <b>33</b>          | <b>100.0%</b> | <b>5,115</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 1                       | 8.3%          | 417          | 22.3%         | 1                  | 8.3%          | 84           | 4.5%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 16.7%         | 161          | 8.6%          |
| Middle            | 11                      | 91.7%         | 1,450        | 77.7%         | 2                  | 16.7%         | 121          | 6.5%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 4                  | 33.3%         | 761          | 40.8%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 25.0%         | 740          | 39.6%         |
| <b>Total</b>      | <b>12</b>               | <b>100.0%</b> | <b>1,867</b> | <b>100.0%</b> | <b>12</b>          | <b>100.0%</b> | <b>1,867</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 1                       | 12.5%         | 39           | 9.4%          | 1                  | 12.5%         | 9            | 2.2%          |
| Moderate          | 1                       | 12.5%         | 71           | 17.1%         | 1                  | 12.5%         | 6            | 1.4%          |
| Middle            | 6                       | 75.0%         | 305          | 73.5%         | 4                  | 50.0%         | 190          | 45.8%         |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 25.0%         | 210          | 50.6%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>8</b>                | <b>100.0%</b> | <b>415</b>   | <b>100.0%</b> | <b>8</b>           | <b>100.0%</b> | <b>415</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 4                       | 7.5%          | 658          | 8.9%          | 7                  | 13.2%         | 488          | 6.6%          |
| Moderate          | 3                       | 5.7%          | 280          | 3.8%          | 14                 | 26.4%         | 1,447        | 19.6%         |
| Middle            | 41                      | 77.4%         | 5,487        | 74.2%         | 14                 | 26.4%         | 1,420        | 19.2%         |
| Upper             | 5                       | 9.4%          | 972          | 13.1%         | 12                 | 22.6%         | 2,723        | 36.8%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 6                  | 11.3%         | 1,319        | 17.8%         |
| <b>Total</b>      | <b>53</b>               | <b>100.0%</b> | <b>7,397</b> | <b>100.0%</b> | <b>53</b>          | <b>100.0%</b> | <b>7,397</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (ATLANTIC CITY ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 1                       | 3.1%          | 188           | 2.4%          | 4                  | 12.5%         | 365           | 4.7%          |
| Moderate          | 6                       | 18.8%         | 609           | 7.9%          | 5                  | 15.6%         | 842           | 10.9%         |
| Middle            | 18                      | 56.3%         | 5,062         | 65.3%         | 6                  | 18.8%         | 1,087         | 14.0%         |
| Upper             | 7                       | 21.9%         | 1,895         | 24.4%         | 13                 | 40.6%         | 4,550         | 58.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 12.5%         | 910           | 11.7%         |
| <b>Total</b>      | <b>32</b>               | <b>100.0%</b> | <b>7,754</b>  | <b>100.0%</b> | <b>32</b>          | <b>100.0%</b> | <b>7,754</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 4.8%          | 100           | 2.0%          |
| Moderate          | 2                       | 9.5%          | 190           | 3.7%          | 2                  | 9.5%          | 261           | 5.1%          |
| Middle            | 15                      | 71.4%         | 3,235         | 63.5%         | 1                  | 4.8%          | 142           | 2.8%          |
| Upper             | 4                       | 19.0%         | 1,670         | 32.8%         | 16                 | 76.2%         | 4,421         | 86.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 4.8%          | 171           | 3.4%          |
| <b>Total</b>      | <b>21</b>               | <b>100.0%</b> | <b>5,095</b>  | <b>100.0%</b> | <b>21</b>          | <b>100.0%</b> | <b>5,095</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 16.7%         | 8             | 0.8%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 16.7%         | 5             | 0.5%          |
| Middle            | 5                       | 83.3%         | 339           | 33.0%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 1                       | 16.7%         | 688           | 67.0%         | 4                  | 66.7%         | 1,014         | 98.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>1,027</b>  | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>1,027</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 1                       | 1.7%          | 188           | 1.4%          | 6                  | 10.2%         | 473           | 3.4%          |
| Moderate          | 8                       | 13.6%         | 799           | 5.8%          | 8                  | 13.6%         | 1,108         | 8.0%          |
| Middle            | 38                      | 64.4%         | 8,636         | 62.2%         | 7                  | 11.9%         | 1,229         | 8.9%          |
| Upper             | 12                      | 20.3%         | 4,253         | 30.7%         | 33                 | 55.9%         | 9,985         | 72.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 8.5%          | 1,081         | 7.8%          |
| <b>Total</b>      | <b>59</b>               | <b>100.0%</b> | <b>13,876</b> | <b>100.0%</b> | <b>69</b>          | <b>100.0%</b> | <b>13,876</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE ASSESSEMENT AREA)**

| Income Categories | HMDA                    |               |                |               |                    |               |                |               |
|-------------------|-------------------------|---------------|----------------|---------------|--------------------|---------------|----------------|---------------|
|                   | By Tract Income         |               |                |               | By Borrower Income |               |                |               |
|                   | #                       | %             | \$(000s)       | %             | #                  | %             | \$(000s)       | %             |
|                   | <b>Home Purchase</b>    |               |                |               |                    |               |                |               |
| Low               | 5                       | 1.6%          | 631            | 0.5%          | 17                 | 5.3%          | 3,297          | 2.4%          |
| Moderate          | 29                      | 9.1%          | 5,900          | 4.3%          | 50                 | 15.6%         | 9,871          | 7.2%          |
| Middle            | 88                      | 27.5%         | 25,516         | 18.7%         | 48                 | 15.0%         | 12,939         | 9.5%          |
| Upper             | 198                     | 61.9%         | 104,526        | 76.5%         | 193                | 60.3%         | 108,440        | 79.4%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 12                 | 3.8%          | 2,026          | 1.5%          |
| <b>Total</b>      | <b>320</b>              | <b>100.0%</b> | <b>136,573</b> | <b>100.0%</b> | <b>320</b>         | <b>100.0%</b> | <b>136,573</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |                |               |                    |               |                |               |
| Low               | 5                       | 2.2%          | 401            | 0.5%          | 11                 | 4.8%          | 1,482          | 1.8%          |
| Moderate          | 10                      | 4.4%          | 1,714          | 2.1%          | 28                 | 12.3%         | 4,115          | 5.1%          |
| Middle            | 78                      | 34.2%         | 18,906         | 23.5%         | 43                 | 18.9%         | 10,806         | 13.4%         |
| Upper             | 135                     | 59.2%         | 59,435         | 73.9%         | 122                | 53.5%         | 55,892         | 69.5%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 24                 | 10.5%         | 8,161          | 10.1%         |
| <b>Total</b>      | <b>228</b>              | <b>100.0%</b> | <b>80,456</b>  | <b>100.0%</b> | <b>228</b>         | <b>100.0%</b> | <b>80,456</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |                |               |                    |               |                |               |
| Low               | 2                       | 7.4%          | 71             | 1.1%          | 5                  | 18.5%         | 408            | 6.4%          |
| Moderate          | 1                       | 3.7%          | 75             | 1.2%          | 1                  | 3.7%          | 160            | 2.5%          |
| Middle            | 9                       | 33.3%         | 2,298          | 36.1%         | 5                  | 18.5%         | 1,353          | 21.2%         |
| Upper             | 15                      | 55.6%         | 3,927          | 61.6%         | 14                 | 51.9%         | 4,305          | 67.6%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 2                  | 7.4%          | 145            | 2.3%          |
| <b>Total</b>      | <b>27</b>               | <b>100.0%</b> | <b>6,371</b>   | <b>100.0%</b> | <b>27</b>          | <b>100.0%</b> | <b>6,371</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Middle            | 1                       | 25.0%         | 3,300          | 6.3%          | 0                  | 0.0%          | 0              | 0.0%          |
| Upper             | 3                       | 75.0%         | 48,757         | 93.7%         | 0                  | 0.0%          | 0              | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 4                  | 100.0%        | 52,057         | 100.0%        |
| <b>Total</b>      | <b>4</b>                | <b>100.0%</b> | <b>52,057</b>  | <b>100.0%</b> | <b>4</b>           | <b>100.0%</b> | <b>52,057</b>  | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |                |               |                    |               |                |               |
| Low               | 12                      | 2.1%          | 1,103          | 0.4%          | 33                 | 5.7%          | 5,187          | 1.9%          |
| Moderate          | 40                      | 6.9%          | 7,689          | 2.8%          | 79                 | 13.6%         | 14,146         | 5.1%          |
| Middle            | 176                     | 30.4%         | 50,020         | 18.2%         | 96                 | 16.6%         | 25,098         | 9.1%          |
| Upper             | 351                     | 60.6%         | 216,645        | 78.6%         | 329                | 56.8%         | 168,637        | 61.2%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 42                 | 7.3%          | 62,389         | 22.6%         |
| <b>Total</b>      | <b>579</b>              | <b>100.0%</b> | <b>275,457</b> | <b>100.0%</b> | <b>579</b>         | <b>100.0%</b> | <b>275,457</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 HMDA LOAN DISTRIBUTION TABLE (GARRETT COUNTY ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 2                       | 28.6%         | 155          | 4.9%          | 1                  | 14.3%         | 131          | 4.1%          |
| Middle            | 5                       | 71.4%         | 3,031        | 95.1%         | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 4                  | 57.1%         | 1,381        | 43.3%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 28.6%         | 1,674        | 52.5%         |
| <b>Total</b>      | <b>7</b>                | <b>100.0%</b> | <b>3,186</b> | <b>100.0%</b> | <b>7</b>           | <b>100.0%</b> | <b>3,186</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 20.0%         | 203          | 11.2%         |
| Moderate          | 4                       | 40.0%         | 427          | 23.6%         | 1                  | 10.0%         | 154          | 8.5%          |
| Middle            | 6                       | 60.0%         | 1,381        | 76.4%         | 3                  | 30.0%         | 487          | 26.9%         |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 4                  | 40.0%         | 964          | 53.3%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>10</b>               | <b>100.0%</b> | <b>1,808</b> | <b>100.0%</b> | <b>10</b>          | <b>100.0%</b> | <b>1,808</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 11.8%         | 203          | 4.1%          |
| Moderate          | 6                       | 35.3%         | 582          | 11.7%         | 2                  | 11.8%         | 285          | 5.7%          |
| Middle            | 11                      | 64.7%         | 4,412        | 88.3%         | 3                  | 17.6%         | 487          | 9.8%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 8                  | 47.1%         | 2,345        | 47.0%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 11.8%         | 1,674        | 33.5%         |
| <b>Total</b>      | <b>17</b>               | <b>100.0%</b> | <b>4,994</b> | <b>100.0%</b> | <b>17</b>          | <b>100.0%</b> | <b>4,994</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 1                       | 1.0%          | 106           | 0.7%          | 13                 | 12.5%         | 1,145         | 7.9%          |
| Moderate          | 17                      | 16.3%         | 1,625         | 11.2%         | 24                 | 23.1%         | 2,922         | 20.2%         |
| Middle            | 66                      | 63.5%         | 9,844         | 68.1%         | 25                 | 24.0%         | 3,688         | 25.5%         |
| Upper             | 20                      | 19.2%         | 2,886         | 20.0%         | 22                 | 21.2%         | 3,772         | 26.1%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 20                 | 19.2%         | 2,934         | 20.3%         |
| <b>Total</b>      | <b>104</b>              | <b>100.0%</b> | <b>14,461</b> | <b>100.0%</b> | <b>104</b>         | <b>100.0%</b> | <b>14,461</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 6.1%          | 442           | 2.4%          |
| Moderate          | 5                       | 6.1%          | 767           | 4.2%          | 10                 | 12.2%         | 904           | 5.0%          |
| Middle            | 44                      | 53.7%         | 9,008         | 49.4%         | 21                 | 25.6%         | 3,206         | 17.6%         |
| Upper             | 33                      | 40.2%         | 8,469         | 46.4%         | 39                 | 47.6%         | 12,151        | 66.6%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 8.5%          | 1,541         | 8.4%          |
| <b>Total</b>      | <b>82</b>               | <b>100.0%</b> | <b>18,244</b> | <b>100.0%</b> | <b>82</b>          | <b>100.0%</b> | <b>18,244</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 1                       | 9.1%          | 25            | 3.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 9.1%          | 80            | 9.6%          |
| Middle            | 5                       | 45.5%         | 360           | 43.1%         | 6                  | 54.5%         | 437           | 52.3%         |
| Upper             | 5                       | 45.5%         | 450           | 53.9%         | 3                  | 27.3%         | 278           | 33.3%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 9.1%          | 40            | 4.8%          |
| <b>Total</b>      | <b>11</b>               | <b>100.0%</b> | <b>835</b>    | <b>100.0%</b> | <b>11</b>          | <b>100.0%</b> | <b>835</b>    | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 100.0%        | 408           | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 100.0%        | 408           | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>408</b>    | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>408</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 2                       | 1.0%          | 131           | 0.4%          | 18                 | 9.1%          | 1,587         | 4.7%          |
| Moderate          | 22                      | 11.1%         | 2,392         | 7.0%          | 35                 | 17.7%         | 3,906         | 11.5%         |
| Middle            | 116                     | 58.6%         | 19,620        | 57.8%         | 52                 | 26.3%         | 7,331         | 21.6%         |
| Upper             | 58                      | 29.3%         | 11,805        | 34.8%         | 64                 | 32.3%         | 16,201        | 47.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 29                 | 14.6%         | 4,923         | 14.5%         |
| <b>Total</b>      | <b>198</b>              | <b>100.0%</b> | <b>33,948</b> | <b>100.0%</b> | <b>198</b>         | <b>100.0%</b> | <b>33,948</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 52                 | 20.3%         | 5,092         | 11.8%         |
| Moderate          | 40                      | 15.6%         | 4,594         | 10.7%         | 91                 | 35.5%         | 11,930        | 27.7%         |
| Middle            | 142                     | 55.5%         | 21,580        | 50.1%         | 54                 | 21.1%         | 9,004         | 20.9%         |
| Upper             | 74                      | 28.9%         | 16,915        | 39.3%         | 52                 | 20.3%         | 14,870        | 34.5%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 2.7%          | 2,193         | 5.1%          |
| <b>Total</b>      | <b>256</b>              | <b>100.0%</b> | <b>43,089</b> | <b>100.0%</b> | <b>256</b>         | <b>100.0%</b> | <b>43,089</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 11                 | 9.4%          | 1,053         | 4.1%          |
| Moderate          | 13                      | 11.1%         | 1,411         | 5.5%          | 15                 | 12.8%         | 1,783         | 7.0%          |
| Middle            | 51                      | 43.6%         | 10,581        | 41.6%         | 32                 | 27.4%         | 4,592         | 18.0%         |
| Upper             | 53                      | 45.3%         | 13,452        | 52.9%         | 47                 | 40.2%         | 13,596        | 53.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 12                 | 10.3%         | 4,420         | 17.4%         |
| <b>Total</b>      | <b>117</b>              | <b>100.0%</b> | <b>25,444</b> | <b>100.0%</b> | <b>117</b>         | <b>100.0%</b> | <b>25,444</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 4.5%          | 4             | 0.3%          |
| Moderate          | 2                       | 9.1%          | 108           | 6.9%          | 6                  | 27.3%         | 158           | 10.1%         |
| Middle            | 16                      | 72.7%         | 599           | 38.2%         | 9                  | 40.9%         | 576           | 36.7%         |
| Upper             | 4                       | 18.2%         | 861           | 54.9%         | 4                  | 18.2%         | 526           | 33.5%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 9.1%          | 304           | 19.4%         |
| <b>Total</b>      | <b>22</b>               | <b>100.0%</b> | <b>1,568</b>  | <b>100.0%</b> | <b>22</b>          | <b>100.0%</b> | <b>1,568</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 5                       | 35.7%         | 15,123        | 51.3%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 7                       | 50.0%         | 10,796        | 36.6%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 2                       | 14.3%         | 3,554         | 12.1%         | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 14                 | 100.0%        | 29,473        | 100.0%        |
| <b>Total</b>      | <b>14</b>               | <b>100.0%</b> | <b>29,473</b> | <b>100.0%</b> | <b>14</b>          | <b>100.0%</b> | <b>29,473</b> | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 64                 | 15.6%         | 6,149         | 6.2%          |
| Moderate          | 60                      | 14.7%         | 21,236        | 21.3%         | 112                | 27.4%         | 13,871        | 13.9%         |
| Middle            | 216                     | 52.8%         | 43,556        | 43.7%         | 95                 | 23.2%         | 14,172        | 14.2%         |
| Upper             | 133                     | 32.5%         | 34,782        | 34.9%         | 103                | 25.2%         | 28,992        | 29.1%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 35                 | 8.6%          | 36,390        | 36.5%         |
| <b>Total</b>      | <b>409</b>              | <b>100.0%</b> | <b>99,574</b> | <b>100.0%</b> | <b>409</b>         | <b>100.0%</b> | <b>99,574</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (LANCASTER ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |                |               |                    |               |                |               |
|-------------------|-------------------------|---------------|----------------|---------------|--------------------|---------------|----------------|---------------|
|                   | By Tract Income         |               |                |               | By Borrower Income |               |                |               |
|                   | #                       | %             | \$(000s)       | %             | #                  | %             | \$(000s)       | %             |
|                   | <b>Home Purchase</b>    |               |                |               |                    |               |                |               |
| Low               | 15                      | 3.7%          | 1,178          | 1.7%          | 75                 | 18.6%         | 7,426          | 10.9%         |
| Moderate          | 46                      | 11.4%         | 4,474          | 6.6%          | 129                | 32.0%         | 17,017         | 25.0%         |
| Middle            | 299                     | 74.2%         | 52,442         | 77.1%         | 78                 | 19.4%         | 13,002         | 19.1%         |
| Upper             | 43                      | 10.7%         | 9,934          | 14.6%         | 100                | 24.8%         | 26,778         | 39.4%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 21                 | 5.2%          | 3,805          | 5.6%          |
| <b>Total</b>      | <b>403</b>              | <b>100.0%</b> | <b>68,028</b>  | <b>100.0%</b> | <b>403</b>         | <b>100.0%</b> | <b>68,028</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |                |               |                    |               |                |               |
| Low               | 2                       | 0.6%          | 264            | 0.4%          | 28                 | 7.8%          | 2,758          | 4.4%          |
| Moderate          | 15                      | 4.2%          | 2,616          | 4.1%          | 88                 | 24.6%         | 10,490         | 16.6%         |
| Middle            | 283                     | 79.1%         | 46,779         | 73.9%         | 76                 | 21.2%         | 11,125         | 17.6%         |
| Upper             | 58                      | 16.2%         | 13,611         | 21.5%         | 130                | 36.3%         | 31,601         | 49.9%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 36                 | 10.1%         | 7,296          | 11.5%         |
| <b>Total</b>      | <b>358</b>              | <b>100.0%</b> | <b>63,270</b>  | <b>100.0%</b> | <b>358</b>         | <b>100.0%</b> | <b>63,270</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |                |               |                    |               |                |               |
| Low               | 2                       | 2.8%          | 540            | 6.8%          | 10                 | 14.1%         | 416            | 5.3%          |
| Moderate          | 4                       | 5.6%          | 264            | 3.3%          | 18                 | 25.4%         | 1,562          | 19.7%         |
| Middle            | 59                      | 83.1%         | 6,351          | 80.3%         | 21                 | 29.6%         | 2,145          | 27.1%         |
| Upper             | 6                       | 8.5%          | 755            | 9.5%          | 19                 | 26.8%         | 3,134          | 39.6%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 3                  | 4.2%          | 653            | 8.3%          |
| <b>Total</b>      | <b>71</b>               | <b>100.0%</b> | <b>7,910</b>   | <b>100.0%</b> | <b>71</b>          | <b>100.0%</b> | <b>7,910</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |                |               |                    |               |                |               |
| Low               | 1                       | 14.3%         | 1,255          | 49.9%         | 0                  | 0.0%          | 0              | 0.0%          |
| Moderate          | 1                       | 14.3%         | 148            | 5.9%          | 0                  | 0.0%          | 0              | 0.0%          |
| Middle            | 5                       | 71.4%         | 1,112          | 44.2%         | 0                  | 0.0%          | 0              | 0.0%          |
| Upper             | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 7                  | 100.0%        | 2,515          | 100.0%        |
| <b>Total</b>      | <b>7</b>                | <b>100.0%</b> | <b>2,515</b>   | <b>100.0%</b> | <b>7</b>           | <b>100.0%</b> | <b>2,515</b>   | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |                |               |                    |               |                |               |
| Low               | 20                      | 2.4%          | 3,237          | 2.3%          | 113                | 13.5%         | 10,600         | 7.5%          |
| Moderate          | 66                      | 7.9%          | 7,502          | 5.3%          | 235                | 28.0%         | 29,069         | 20.5%         |
| Middle            | 646                     | 77.0%         | 106,684        | 75.3%         | 175                | 20.9%         | 26,272         | 18.5%         |
| Upper             | 107                     | 12.8%         | 24,300         | 17.1%         | 249                | 29.7%         | 61,513         | 43.4%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 67                 | 8.0%          | 14,269         | 10.1%         |
| <b>Total</b>      | <b>839</b>              | <b>100.0%</b> | <b>141,723</b> | <b>100.0%</b> | <b>839</b>         | <b>100.0%</b> | <b>141,723</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 HMDA LOAN DISTRIBUTION TABLE (LEBANON ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 4.4%          | 200           | 2.5%          |
| Moderate          | 2                       | 4.4%          | 97            | 1.2%          | 10                 | 22.2%         | 1,432         | 17.6%         |
| Middle            | 23                      | 51.1%         | 3,882         | 47.8%         | 8                  | 17.8%         | 1,323         | 16.3%         |
| Upper             | 20                      | 44.4%         | 4,146         | 51.0%         | 21                 | 46.7%         | 4,498         | 55.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 0.0%          | 672           | 8.3%          |
| <b>Total</b>      | <b>45</b>               | <b>100.0%</b> | <b>8,125</b>  | <b>100.0%</b> | <b>45</b>          | <b>100.0%</b> | <b>8,125</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 4.2%          | 25            | 0.3%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 4.2%          | 128           | 1.6%          |
| Middle            | 14                      | 58.3%         | 5,511         | 67.5%         | 4                  | 16.7%         | 573           | 7.0%          |
| Upper             | 10                      | 41.7%         | 2,650         | 32.5%         | 14                 | 58.3%         | 5,055         | 61.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 16.7%         | 2,380         | 29.2%         |
| <b>Total</b>      | <b>24</b>               | <b>100.0%</b> | <b>8,161</b>  | <b>100.0%</b> | <b>24</b>          | <b>100.0%</b> | <b>8,161</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 100.0%        | 429           | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 100.0%        | 429           | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>429</b>    | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>429</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 4.3%          | 225           | 1.3%          |
| Moderate          | 2                       | 2.9%          | 97            | 0.6%          | 11                 | 15.7%         | 1,560         | 9.3%          |
| Middle            | 38                      | 54.3%         | 9,822         | 58.8%         | 12                 | 17.1%         | 1,896         | 11.3%         |
| Upper             | 30                      | 42.9%         | 6,796         | 40.7%         | 35                 | 50.0%         | 9,553         | 57.2%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 9                  | 12.9%         | 3,481         | 20.8%         |
| <b>Total</b>      | <b>70</b>               | <b>100.0%</b> | <b>16,715</b> | <b>100.0%</b> | <b>70</b>          | <b>100.0%</b> | <b>16,715</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 26                 | 11.2%         | 1,601         | 5.2%          |
| Moderate          | 27                      | 11.6%         | 1,677         | 5.4%          | 64                 | 27.6%         | 5,774         | 18.6%         |
| Middle            | 179                     | 77.2%         | 24,112        | 77.8%         | 50                 | 21.6%         | 6,509         | 21.0%         |
| Upper             | 26                      | 11.2%         | 5,204         | 16.8%         | 88                 | 37.9%         | 16,867        | 54.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 1.7%          | 242           | 0.8%          |
| <b>Total</b>      | <b>232</b>              | <b>100.0%</b> | <b>30,993</b> | <b>100.0%</b> | <b>232</b>         | <b>100.0%</b> | <b>30,993</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 5.1%          | 353           | 1.8%          |
| Moderate          | 3                       | 3.1%          | 254           | 1.3%          | 22                 | 22.4%         | 2,038         | 10.5%         |
| Middle            | 72                      | 73.5%         | 16,111        | 82.8%         | 27                 | 27.6%         | 3,104         | 16.0%         |
| Upper             | 23                      | 23.5%         | 3,084         | 15.9%         | 37                 | 37.8%         | 7,193         | 37.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 7.1%          | 6,761         | 34.8%         |
| <b>Total</b>      | <b>98</b>               | <b>100.0%</b> | <b>19,449</b> | <b>100.0%</b> | <b>98</b>          | <b>100.0%</b> | <b>19,449</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 8                  | 18.2%         | 20            | 0.6%          |
| Moderate          | 6                       | 13.6%         | 191           | 5.8%          | 10                 | 22.7%         | 72            | 2.2%          |
| Middle            | 36                      | 81.8%         | 2,912         | 89.2%         | 6                  | 13.6%         | 374           | 11.5%         |
| Upper             | 2                       | 4.5%          | 162           | 5.0%          | 15                 | 34.1%         | 2,373         | 72.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 5                  | 11.4%         | 426           | 13.0%         |
| <b>Total</b>      | <b>44</b>               | <b>100.0%</b> | <b>3,265</b>  | <b>100.0%</b> | <b>44</b>          | <b>100.0%</b> | <b>3,265</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 50.0%         | 835           | 87.4%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 50.0%         | 120           | 12.6%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 100.0%        | 955           | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>955</b>    | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>955</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 39                 | 10.4%         | 1,974         | 3.6%          |
| Moderate          | 37                      | 9.8%          | 2,957         | 5.4%          | 96                 | 25.5%         | 7,884         | 14.4%         |
| Middle            | 288                     | 76.6%         | 43,255        | 79.1%         | 83                 | 22.1%         | 9,987         | 18.3%         |
| Upper             | 51                      | 13.6%         | 8,450         | 15.5%         | 140                | 37.2%         | 26,433        | 48.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 18                 | 4.8%          | 8,384         | 15.3%         |
| <b>Total</b>      | <b>376</b>              | <b>100.0%</b> | <b>54,662</b> | <b>100.0%</b> | <b>376</b>         | <b>100.0%</b> | <b>54,662</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (PHILADELPHIA-CAMDEN ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |                |               |                    |               |                |               |
|-------------------|-------------------------|---------------|----------------|---------------|--------------------|---------------|----------------|---------------|
|                   | By Tract Income         |               |                |               | By Borrower Income |               |                |               |
|                   | #                       | %             | \$(000s)       | %             | #                  | %             | \$(000s)       | %             |
|                   | <b>Home Purchase</b>    |               |                |               |                    |               |                |               |
| Low               | 32                      | 9.8%          | 5,187          | 6.4%          | 28                 | 8.5%          | 2,791          | 3.5%          |
| Moderate          | 37                      | 11.3%         | 5,403          | 6.7%          | 128                | 39.0%         | 21,212         | 26.4%         |
| Middle            | 131                     | 39.9%         | 33,931         | 42.2%         | 72                 | 22.0%         | 16,075         | 20.0%         |
| Upper             | 128                     | 39.0%         | 35,946         | 44.7%         | 81                 | 24.7%         | 31,344         | 39.0%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 19                 | 5.8%          | 9,045          | 11.2%         |
| <b>Total</b>      | <b>328</b>              | <b>100.0%</b> | <b>80,467</b>  | <b>100.0%</b> | <b>328</b>         | <b>100.0%</b> | <b>80,467</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |                |               |                    |               |                |               |
| Low               | 15                      | 4.6%          | 1,857          | 2.5%          | 16                 | 4.9%          | 2,208          | 3.0%          |
| Moderate          | 10                      | 3.1%          | 1,816          | 2.5%          | 52                 | 16.0%         | 8,502          | 11.5%         |
| Middle            | 110                     | 33.7%         | 20,486         | 27.8%         | 85                 | 26.1%         | 16,039         | 21.7%         |
| Upper             | 191                     | 58.6%         | 49,633         | 67.3%         | 144                | 44.2%         | 39,928         | 54.1%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 29                 | 8.9%          | 7,115          | 9.6%          |
| <b>Total</b>      | <b>326</b>              | <b>100.0%</b> | <b>73,792</b>  | <b>100.0%</b> | <b>326</b>         | <b>100.0%</b> | <b>73,792</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |                |               |                    |               |                |               |
| Low               | 2                       | 2.8%          | 48             | 0.5%          | 4                  | 5.6%          | 188            | 2.0%          |
| Moderate          | 5                       | 6.9%          | 476            | 4.9%          | 8                  | 11.1%         | 543            | 5.6%          |
| Middle            | 25                      | 34.7%         | 3,153          | 32.7%         | 22                 | 30.6%         | 2,155          | 22.4%         |
| Upper             | 40                      | 55.6%         | 5,952          | 61.8%         | 33                 | 45.8%         | 5,901          | 61.3%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 5                  | 6.9%          | 842            | 8.7%          |
| <b>Total</b>      | <b>72</b>               | <b>100.0%</b> | <b>9,629</b>   | <b>100.0%</b> | <b>72</b>          | <b>100.0%</b> | <b>9,629</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |                |               |                    |               |                |               |
| Low               | 0                       | 0.0%          | 0              | 0.0%          | 0                  | 0.0%          | 0              | 0.0%          |
| Moderate          | 4                       | 50.0%         | 2,317          | 53.4%         | 0                  | 0.0%          | 0              | 0.0%          |
| Middle            | 2                       | 25.0%         | 556            | 12.8%         | 0                  | 0.0%          | 0              | 0.0%          |
| Upper             | 2                       | 25.0%         | 1,464          | 33.8%         | 0                  | 0.0%          | 0              | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 8                  | 100.0%        | 4,337          | 100.0%        |
| <b>Total</b>      | <b>8</b>                | <b>100.0%</b> | <b>4,337</b>   | <b>100.0%</b> | <b>8</b>           | <b>100.0%</b> | <b>4,337</b>   | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |                |               |                    |               |                |               |
| Low               | 49                      | 6.7%          | 7,092          | 4.2%          | 48                 | 6.5%          | 5,187          | 3.1%          |
| Moderate          | 56                      | 7.6%          | 10,012         | 6.0%          | 188                | 25.6%         | 30,257         | 18.0%         |
| Middle            | 268                     | 36.5%         | 58,126         | 34.6%         | 179                | 24.4%         | 34,269         | 20.4%         |
| Upper             | 361                     | 49.2%         | 92,995         | 55.3%         | 258                | 35.1%         | 77,173         | 45.9%         |
| Unknown           | 0                       | 0.0%          | 0              | 0.0%          | 61                 | 8.3%          | 21,339         | 12.7%         |
| <b>Total</b>      | <b>734</b>              | <b>100.0%</b> | <b>168,225</b> | <b>100.0%</b> | <b>734</b>         | <b>100.0%</b> | <b>168,225</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (READING ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 2                       | 3.8%          | 48            | 0.7%          | 5                  | 9.4%          | 451           | 6.6%          |
| Moderate          | 1                       | 1.9%          | 22            | 0.3%          | 18                 | 34.0%         | 2,273         | 33.1%         |
| Middle            | 31                      | 58.5%         | 3,926         | 57.2%         | 11                 | 20.8%         | 1,330         | 19.4%         |
| Upper             | 19                      | 35.8%         | 2,866         | 41.8%         | 12                 | 22.6%         | 2,189         | 31.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 13.2%         | 619           | 9.0%          |
| <b>Total</b>      | <b>53</b>               | <b>100.0%</b> | <b>6,862</b>  | <b>100.0%</b> | <b>53</b>          | <b>100.0%</b> | <b>6,862</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 2                       | 4.1%          | 165           | 2.0%          | 2                  | 4.1%          | 137           | 1.7%          |
| Moderate          | 4                       | 8.2%          | 565           | 6.9%          | 12                 | 24.5%         | 1,223         | 15.0%         |
| Middle            | 22                      | 44.9%         | 3,661         | 44.9%         | 11                 | 22.4%         | 1,593         | 19.6%         |
| Upper             | 21                      | 42.9%         | 3,754         | 46.1%         | 22                 | 44.9%         | 5,046         | 62.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 4.1%          | 146           | 1.8%          |
| <b>Total</b>      | <b>49</b>               | <b>100.0%</b> | <b>8,145</b>  | <b>100.0%</b> | <b>49</b>          | <b>100.0%</b> | <b>8,145</b>  | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 2                       | 11.1%         | 17            | 1.1%          | 2                  | 11.1%         | 12            | 0.8%          |
| Moderate          | 1                       | 5.6%          | 280           | 18.7%         | 4                  | 22.2%         | 453           | 30.3%         |
| Middle            | 9                       | 50.0%         | 692           | 46.3%         | 3                  | 16.7%         | 137           | 9.2%          |
| Upper             | 6                       | 33.3%         | 505           | 33.8%         | 6                  | 33.3%         | 743           | 49.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 16.7%         | 149           | 10.0%         |
| <b>Total</b>      | <b>18</b>               | <b>100.0%</b> | <b>1,494</b>  | <b>100.0%</b> | <b>18</b>          | <b>100.0%</b> | <b>1,494</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 1                       | 100.0%        | 845           | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 100.0%        | 845           | 100.0%        |
| <b>Total</b>      | <b>1</b>                | <b>100.0%</b> | <b>845</b>    | <b>100.0%</b> | <b>1</b>           | <b>100.0%</b> | <b>845</b>    | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 6                       | 5.0%          | 230           | 1.3%          | 9                  | 7.4%          | 600           | 3.5%          |
| Moderate          | 6                       | 5.0%          | 867           | 5.0%          | 34                 | 28.1%         | 3,949         | 22.8%         |
| Middle            | 63                      | 52.1%         | 9,124         | 52.6%         | 25                 | 20.7%         | 3,060         | 17.6%         |
| Upper             | 46                      | 38.0%         | 7,125         | 41.1%         | 40                 | 33.1%         | 7,978         | 46.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 13                 | 10.7%         | 1,759         | 10.1%         |
| <b>Total</b>      | <b>121</b>              | <b>100.0%</b> | <b>17,346</b> | <b>100.0%</b> | <b>121</b>         | <b>100.0%</b> | <b>17,346</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (SCRANTON ASSESSMENT AREA)**

| Income Categories  | HMDA                    |               |              |               |                    |               |              |               |
|--------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                    | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                    | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                    | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low                | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 14.3%         | 80           | 11.0%         |
| Moderate           | 1                       | 14.3%         | 25           | 3.4%          | 3                  | 42.9%         | 220          | 30.2%         |
| Low/Moderate Total | 1                       | 14.3%         | 25           | 3.4%          | 4                  | 57.1%         | 300          | 41.2%         |
| Middle             | 6                       | 85.7%         | 703          | 96.6%         | 2                  | 28.6%         | 236          | 32.4%         |
| Upper              | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 14.3%         | 192          | 26.4%         |
| Unknown            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>       | <b>7</b>                | <b>100.0%</b> | <b>728</b>   | <b>100.0%</b> | <b>7</b>           | <b>100.0%</b> | <b>728</b>   | <b>100.0%</b> |
|                    | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low                | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate           | 2                       | 66.7%         | 122          | 74.4%         | 2                  | 66.7%         | 115          | 70.1%         |
| Low/Moderate Total | 2                       | 66.7%         | 122          | 74.4%         | 2                  | 66.7%         | 115          | 70.1%         |
| Middle             | 1                       | 33.3%         | 42           | 25.6%         | 1                  | 33.3%         | 49           | 29.9%         |
| Upper              | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>       | <b>3</b>                | <b>100.0%</b> | <b>164</b>   | <b>100.0%</b> | <b>3</b>           | <b>100.0%</b> | <b>164</b>   | <b>100.0%</b> |
|                    | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low                | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate           | 1                       | 12.5%         | 4            | 1.9%          | 2                  | 25.0%         | 13           | 6.3%          |
| Low/Moderate Total | 1                       | 12.5%         | 4            | 1.9%          | 2                  | 25.0%         | 13           | 6.3%          |
| Middle             | 7                       | 87.5%         | 203          | 98.1%         | 3                  | 37.5%         | 158          | 76.3%         |
| Upper              | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 37.5%         | 36           | 17.4%         |
| Unknown            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>       | <b>8</b>                | <b>100.0%</b> | <b>207</b>   | <b>100.0%</b> | <b>8</b>           | <b>100.0%</b> | <b>207</b>   | <b>100.0%</b> |
|                    | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low                | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Low/Moderate Total | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper              | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>       | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                    | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low                | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 5.6%          | 80           | 7.3%          |
| Moderate           | 4                       | 22.2%         | 151          | 13.7%         | 7                  | 38.9%         | 348          | 31.7%         |
| Low/Moderate Total | 4                       | 22.2%         | 151          | 13.7%         | 8                  | 44.4%         | 428          | 38.9%         |
| Middle             | 14                      | 77.8%         | 948          | 86.3%         | 6                  | 33.3%         | 443          | 40.3%         |
| Upper              | 0                       | 0.0%          | 0            | 0.0%          | 4                  | 22.2%         | 228          | 20.7%         |
| Unknown            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>       | <b>18</b>               | <b>100.0%</b> | <b>1,099</b> | <b>100.0%</b> | <b>18</b>          | <b>100.0%</b> | <b>1,099</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 6.6%          | 494           | 3.4%          |
| Moderate          | 6                       | 5.7%          | 1,368         | 9.4%          | 29                 | 27.4%         | 3,225         | 22.1%         |
| Middle            | 64                      | 60.4%         | 7,572         | 51.9%         | 27                 | 25.5%         | 3,407         | 23.3%         |
| Upper             | 36                      | 34.0%         | 5,661         | 38.8%         | 33                 | 31.1%         | 5,092         | 34.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 10                 | 9.4%          | 2,383         | 16.3%         |
| <b>Total</b>      | <b>106</b>              | <b>100.0%</b> | <b>14,601</b> | <b>100.0%</b> | <b>106</b>         | <b>100.0%</b> | <b>14,601</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 3.5%          | 317           | 1.9%          |
| Moderate          | 1                       | 1.2%          | 152           | 0.9%          | 13                 | 15.1%         | 1,442         | 8.7%          |
| Middle            | 47                      | 54.7%         | 7,817         | 47.0%         | 16                 | 18.6%         | 1,957         | 11.8%         |
| Upper             | 38                      | 44.2%         | 8,665         | 52.1%         | 46                 | 53.5%         | 11,194        | 67.3%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 8                  | 9.3%          | 1,724         | 10.4%         |
| <b>Total</b>      | <b>86</b>               | <b>100.0%</b> | <b>16,634</b> | <b>100.0%</b> | <b>86</b>          | <b>100.0%</b> | <b>16,634</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 11.5%         | 152           | 10.8%         |
| Moderate          | 1                       | 3.8%          | 6             | 0.4%          | 5                  | 19.2%         | 298           | 21.2%         |
| Middle            | 17                      | 65.4%         | 957           | 68.1%         | 4                  | 15.4%         | 149           | 10.6%         |
| Upper             | 8                       | 30.8%         | 442           | 31.5%         | 13                 | 50.0%         | 801           | 57.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 3.8%          | 5             | 0.4%          |
| <b>Total</b>      | <b>26</b>               | <b>100.0%</b> | <b>1,405</b>  | <b>100.0%</b> | <b>26</b>          | <b>100.0%</b> | <b>1,405</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 1                       | 16.7%         | 1,504         | 25.6%         | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 4                       | 66.7%         | 4,307         | 73.2%         | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 1                       | 16.7%         | 69            | 1.2%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 100.0%        | 5,880         | 100.0%        |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>5,880</b>  | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>5,880</b>  | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 13                 | 5.8%          | 963           | 2.5%          |
| Moderate          | 9                       | 4.0%          | 3,030         | 7.9%          | 47                 | 21.0%         | 4,965         | 12.9%         |
| Middle            | 132                     | 58.9%         | 20,653        | 53.6%         | 47                 | 21.0%         | 5,513         | 14.3%         |
| Upper             | 83                      | 37.1%         | 14,837        | 38.5%         | 92                 | 41.1%         | 17,087        | 44.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 25                 | 11.2%         | 9,992         | 25.9%         |
| <b>Total</b>      | <b>224</b>              | <b>100.0%</b> | <b>38,520</b> | <b>100.0%</b> | <b>224</b>         | <b>100.0%</b> | <b>38,520</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (STATE COLLEGE ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 9.1%          | 414           | 4.8%          |
| Moderate          | 2                       | 6.1%          | 223           | 2.6%          | 5                  | 15.2%         | 801           | 9.4%          |
| Middle            | 15                      | 45.5%         | 3,993         | 46.8%         | 7                  | 21.2%         | 1,409         | 16.5%         |
| Upper             | 16                      | 48.5%         | 4,323         | 50.6%         | 12                 | 36.4%         | 4,658         | 54.5%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 18.2%         | 1,257         | 14.7%         |
| <b>Total</b>      | <b>33</b>               | <b>100.0%</b> | <b>8,539</b>  | <b>100.0%</b> | <b>33</b>          | <b>100.0%</b> | <b>8,539</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 2                       | 5.0%          | 440           | 3.4%          | 2                  | 5.0%          | 533           | 4.1%          |
| Middle            | 19                      | 47.5%         | 7,858         | 60.0%         | 7                  | 17.5%         | 1,553         | 11.9%         |
| Upper             | 19                      | 47.5%         | 4,795         | 36.6%         | 29                 | 72.5%         | 10,632        | 81.2%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 5.0%          | 375           | 2.9%          |
| <b>Total</b>      | <b>40</b>               | <b>100.0%</b> | <b>13,093</b> | <b>100.0%</b> | <b>40</b>          | <b>100.0%</b> | <b>13,093</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 5                       | 100.0%        | 1,538         | 100.0%        | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 60.0%         | 799           | 52.0%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 40.0%         | 739           | 48.0%         |
| <b>Total</b>      | <b>5</b>                | <b>100.0%</b> | <b>1,538</b>  | <b>100.0%</b> | <b>5</b>           | <b>100.0%</b> | <b>1,538</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 3                  | 3.8%          | 414           | 1.8%          |
| Moderate          | 4                       | 5.1%          | 663           | 2.9%          | 7                  | 9.0%          | 1,334         | 5.8%          |
| Middle            | 39                      | 50.0%         | 13,389        | 57.8%         | 14                 | 17.9%         | 2,962         | 12.8%         |
| Upper             | 35                      | 44.9%         | 9,118         | 39.4%         | 44                 | 56.4%         | 16,089        | 69.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 10                 | 12.8%         | 2,371         | 10.2%         |
| <b>Total</b>      | <b>78</b>               | <b>100.0%</b> | <b>23,170</b> | <b>100.0%</b> | <b>78</b>          | <b>100.0%</b> | <b>23,170</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (WORCESTER ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 9.1%          | 45           | 2.5%          | 1                  | 9.1%          | 166          | 9.2%          |
| Middle            | 10                      | 90.9%         | 1,755        | 97.5%         | 2                  | 18.2%         | 147          | 8.2%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 8                  | 72.7%         | 1,487        | 82.6%         |
| <b>Total</b>      | <b>11</b>               | <b>100.0%</b> | <b>1,800</b> | <b>100.0%</b> | <b>11</b>          | <b>100.0%</b> | <b>1,800</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 33.3%         | 248          | 23.4%         |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 6                       | 100.0%        | 1,061        | 100.0%        | 1                  | 16.7%         | 184          | 17.3%         |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 50.0%         | 629          | 59.3%         |
| <b>Total</b>      | <b>6</b>                | <b>100.0%</b> | <b>1,061</b> | <b>100.0%</b> | <b>6</b>           | <b>100.0%</b> | <b>1,061</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 50.0%         | 183          | 70.9%         |
| Middle            | 2                       | 100.0%        | 258          | 100.0%        | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 50.0%         | 75           | 29.1%         |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>258</b>   | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>258</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 10.5%         | 248          | 8.0%          |
| Moderate          | 1                       | 5.3%          | 45           | 1.4%          | 2                  | 10.5%         | 349          | 11.2%         |
| Middle            | 18                      | 94.7%         | 3,074        | 98.6%         | 3                  | 15.8%         | 331          | 10.6%         |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 11                 | 57.9%         | 2,116        | 67.8%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 5.3%          | 75           | 2.4%          |
| <b>Total</b>      | <b>19</b>               | <b>100.0%</b> | <b>3,119</b> | <b>100.0%</b> | <b>19</b>          | <b>100.0%</b> | <b>3,119</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
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**2012 HMDA LOAN DISTRIBUTION TABLE (VINELAND ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |              |               |                    |               |              |               |
|-------------------|-------------------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
|                   | By Tract Income         |               |              |               | By Borrower Income |               |              |               |
|                   | #                       | %             | \$(000s)     | %             | #                  | %             | \$(000s)     | %             |
|                   | <b>Home Purchase</b>    |               |              |               |                    |               |              |               |
| Low               | 1                       | 4.0%          | 95           | 3.3%          | 4                  | 16.0%         | 265          | 9.3%          |
| Moderate          | 2                       | 8.0%          | 141          | 5.0%          | 7                  | 28.0%         | 790          | 27.8%         |
| Middle            | 10                      | 40.0%         | 1,173        | 41.3%         | 5                  | 20.0%         | 744          | 26.2%         |
| Upper             | 12                      | 48.0%         | 1,429        | 50.4%         | 7                  | 28.0%         | 859          | 30.3%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 2                  | 8.0%          | 180          | 6.3%          |
| <b>Total</b>      | <b>25</b>               | <b>100.0%</b> | <b>2,838</b> | <b>100.0%</b> | <b>25</b>          | <b>100.0%</b> | <b>2,838</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 5.3%          | 50           | 2.0%          |
| Moderate          | 3                       | 15.8%         | 245          | 9.6%          | 2                  | 10.5%         | 182          | 7.1%          |
| Middle            | 9                       | 47.4%         | 1,103        | 43.0%         | 6                  | 31.6%         | 691          | 27.0%         |
| Upper             | 7                       | 36.8%         | 1,216        | 47.4%         | 7                  | 36.8%         | 1,261        | 49.2%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 3                  | 15.8%         | 380          | 14.8%         |
| <b>Total</b>      | <b>19</b>               | <b>100.0%</b> | <b>2,564</b> | <b>100.0%</b> | <b>19</b>          | <b>100.0%</b> | <b>2,564</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 1                       | 8.3%          | 5            | 0.6%          | 5                  | 41.7%         | 138          | 16.8%         |
| Middle            | 8                       | 66.7%         | 548          | 66.9%         | 1                  | 8.3%          | 130          | 15.9%         |
| Upper             | 3                       | 25.0%         | 266          | 32.5%         | 5                  | 41.7%         | 436          | 53.2%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 1                  | 8.3%          | 115          | 14.0%         |
| <b>Total</b>      | <b>12</b>               | <b>100.0%</b> | <b>819</b>   | <b>100.0%</b> | <b>12</b>          | <b>100.0%</b> | <b>819</b>   | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |              |               |                    |               |              |               |
| Low               | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Middle            | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Upper             | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 0                  | 0.0%          | 0            | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>     | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |              |               |                    |               |              |               |
| Low               | 1                       | 1.8%          | 95           | 1.5%          | 5                  | 8.9%          | 315          | 5.1%          |
| Moderate          | 6                       | 10.7%         | 391          | 6.5%          | 14                 | 25.0%         | 1,110        | 17.8%         |
| Middle            | 27                      | 48.2%         | 2,824        | 45.4%         | 12                 | 21.4%         | 1,565        | 25.2%         |
| Upper             | 22                      | 39.3%         | 2,911        | 46.8%         | 19                 | 33.9%         | 2,556        | 41.1%         |
| Unknown           | 0                       | 0.0%          | 0            | 0.0%          | 6                  | 10.7%         | 675          | 10.9%         |
| <b>Total</b>      | <b>56</b>               | <b>100.0%</b> | <b>6,221</b> | <b>100.0%</b> | <b>56</b>          | <b>100.0%</b> | <b>6,221</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 HMDA LOAN DISTRIBUTION TABLE (WILLIAMSPORT ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 7                  | 13.2%         | 574           | 8.4%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 10                 | 18.9%         | 976           | 14.3%         |
| Middle            | 48                      | 90.6%         | 5,880         | 86.3%         | 12                 | 22.6%         | 1,401         | 20.6%         |
| Upper             | 5                       | 9.4%          | 936           | 13.7%         | 23                 | 43.4%         | 3,760         | 55.2%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 1.9%          | 105           | 1.5%          |
| <b>Total</b>      | <b>53</b>               | <b>100.0%</b> | <b>6,816</b>  | <b>100.0%</b> | <b>53</b>          | <b>100.0%</b> | <b>6,816</b>  | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 1                       | 1.4%          | 100           | 1.0%          | 3                  | 4.3%          | 263           | 2.6%          |
| Moderate          | 4                       | 5.8%          | 292           | 2.9%          | 11                 | 15.9%         | 1,001         | 9.9%          |
| Middle            | 55                      | 79.7%         | 8,200         | 81.4%         | 21                 | 30.4%         | 2,280         | 22.6%         |
| Upper             | 9                       | 13.0%         | 1,483         | 14.7%         | 32                 | 46.4%         | 6,286         | 62.4%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 2.9%          | 245           | 2.4%          |
| <b>Total</b>      | <b>69</b>               | <b>100.0%</b> | <b>10,075</b> | <b>100.0%</b> | <b>69</b>          | <b>100.0%</b> | <b>10,075</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 1                       | 7.1%          | 42            | 2.9%          | 1                  | 7.1%          | 34            | 2.4%          |
| Moderate          | 1                       | 7.1%          | 38            | 2.7%          | 2                  | 14.3%         | 170           | 11.9%         |
| Middle            | 10                      | 71.4%         | 1,210         | 84.8%         | 4                  | 28.6%         | 189           | 13.2%         |
| Upper             | 2                       | 14.3%         | 137           | 9.6%          | 6                  | 42.9%         | 884           | 61.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 7.1%          | 150           | 10.5%         |
| <b>Total</b>      | <b>14</b>               | <b>100.0%</b> | <b>1,427</b>  | <b>100.0%</b> | <b>14</b>          | <b>100.0%</b> | <b>1,427</b>  | <b>100.0%</b> |
|                   | <b>Multi-Family</b>     |               |               |               |                    |               |               |               |
| Low               | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| <b>Total</b>      | <b>0</b>                | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   | <b>0</b>           | <b>0.0%</b>   | <b>0</b>      | <b>0.0%</b>   |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 2                       | 1.5%          | 142           | 0.8%          | 11                 | 8.1%          | 871           | 4.8%          |
| Moderate          | 5                       | 3.7%          | 330           | 1.8%          | 23                 | 16.9%         | 2,147         | 11.7%         |
| Middle            | 113                     | 83.1%         | 15,290        | 83.5%         | 37                 | 27.2%         | 3,870         | 21.1%         |
| Upper             | 16                      | 11.8%         | 2,556         | 14.0%         | 61                 | 44.9%         | 10,930        | 59.7%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 4                  | 2.9%          | 500           | 2.7%          |
| <b>Total</b>      | <b>136</b>              | <b>100.0%</b> | <b>18,318</b> | <b>100.0%</b> | <b>136</b>         | <b>100.0%</b> | <b>18,318</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 HMDA LOAN DISTRIBUTION TABLE (YORK-HANOVER-GETTYSBURG ASSESSMENT AREA)**

| Income Categories | HMDA                    |               |               |               |                    |               |               |               |
|-------------------|-------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
|                   | By Tract Income         |               |               |               | By Borrower Income |               |               |               |
|                   | #                       | %             | \$(000s)      | %             | #                  | %             | \$(000s)      | %             |
|                   | <b>Home Purchase</b>    |               |               |               |                    |               |               |               |
| Low               | 4                       | 0.9%          | 272           | 0.4%          | 60                 | 13.7%         | 5,647         | 8.4%          |
| Moderate          | 21                      | 4.8%          | 2,073         | 3.1%          | 158                | 36.0%         | 19,685        | 29.1%         |
| Middle            | 269                     | 61.3%         | 38,980        | 57.7%         | 106                | 24.1%         | 17,881        | 26.5%         |
| Upper             | 145                     | 33.0%         | 26,238        | 38.8%         | 109                | 24.8%         | 21,513        | 31.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 6                  | 1.4%          | 2,837         | 4.2%          |
| <b>Total</b>      | <b>439</b>              | <b>100.0%</b> | <b>67,563</b> | <b>100.0%</b> | <b>439</b>         | <b>100.0%</b> | <b>67,563</b> | <b>100.0%</b> |
|                   | <b>Refinance</b>        |               |               |               |                    |               |               |               |
| Low               | 1                       | 0.7%          | 75            | 0.3%          | 11                 | 7.4%          | 940           | 3.7%          |
| Moderate          | 8                       | 5.4%          | 505           | 2.0%          | 34                 | 22.8%         | 3,881         | 15.5%         |
| Middle            | 95                      | 63.8%         | 16,827        | 67.0%         | 41                 | 27.5%         | 5,246         | 20.9%         |
| Upper             | 45                      | 30.2%         | 7,711         | 30.7%         | 45                 | 30.2%         | 11,638        | 46.3%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 18                 | 12.1%         | 3,413         | 13.6%         |
| <b>Total</b>      | <b>149</b>              | <b>100.0%</b> | <b>25,118</b> | <b>100.0%</b> | <b>149</b>         | <b>100.0%</b> | <b>25,118</b> | <b>100.0%</b> |
|                   | <b>Home Improvement</b> |               |               |               |                    |               |               |               |
| Low               | 1                       | 2.3%          | 5             | 0.2%          | 5                  | 11.6%         | 26            | 1.3%          |
| Moderate          | 2                       | 4.7%          | 11            | 0.5%          | 9                  | 20.9%         | 455           | 22.0%         |
| Middle            | 31                      | 72.1%         | 1,357         | 65.6%         | 12                 | 27.9%         | 753           | 36.4%         |
| Upper             | 9                       | 20.9%         | 695           | 33.6%         | 16                 | 37.2%         | 825           | 39.9%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 1                  | 2.3%          | 9             | 0.4%          |
| <b>Total</b>      | <b>43</b>               | <b>100.0%</b> | <b>2,068</b>  | <b>100.0%</b> | <b>43</b>          | <b>100.0%</b> | <b>2,068</b>  | <b>100.0%</b> |
|                   | <b>Multifamily</b>      |               |               |               |                    |               |               |               |
| Low               | 1                       | 50.0%         | 160           | 5.7%          | 0                  | 0.0%          | 0             | 0.0%          |
| Moderate          | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Middle            | 0                       | 0.0%          | 0             | 0.0%          | 0                  | 0.0%          | 0             | 0.0%          |
| Upper             | 1                       | 50.0%         | 2,650         | 94.3%         | 0                  | 0.0%          | 0             | 0.0%          |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 2                  | 100.0%        | 2,810         | 100.0%        |
| <b>Total</b>      | <b>2</b>                | <b>100.0%</b> | <b>2,810</b>  | <b>100.0%</b> | <b>2</b>           | <b>100.0%</b> | <b>2,810</b>  | <b>100.0%</b> |
|                   | <b>HMDA Totals</b>      |               |               |               |                    |               |               |               |
| Low               | 7                       | 1.1%          | 512           | 0.5%          | 76                 | 12.0%         | 6,613         | 6.8%          |
| Moderate          | 31                      | 4.9%          | 2,589         | 2.7%          | 201                | 31.8%         | 24,021        | 24.6%         |
| Middle            | 395                     | 62.4%         | 57,164        | 58.6%         | 159                | 25.1%         | 23,880        | 24.5%         |
| Upper             | 200                     | 31.6%         | 37,294        | 38.2%         | 170                | 26.9%         | 33,976        | 34.8%         |
| Unknown           | 0                       | 0.0%          | 0             | 0.0%          | 27                 | 4.3%          | 9,069         | 9.3%          |
| <b>Total</b>      | <b>633</b>              | <b>100.0%</b> | <b>97,559</b> | <b>100.0%</b> | <b>633</b>         | <b>100.0%</b> | <b>97,559</b> | <b>100.0%</b> |

**CRA APPENDIX C: SMALL BUSINESS LOAN DISTRIBUTION TABLES**

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (ALLEGANY COUNTY ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |             |          |             |
|---|---|---------------|--------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)     | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |              |               |            |             |          |             |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 2   | 4.8%          | 210          | 3.5%          | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 30  | 71.4%         | 4,641        | 76.8%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 10  | 23.8%         | 1,189        | 19.7%         | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>42</b>   | <b>100.0%</b> | <b>6,040</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |             |          |             |
| Total \$1 Million or Less                       | 12  | 28.6%         | 1,096        | 18.1%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 11  | 26.2%         | 3,666        | 60.7%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 19  | 45.2%         | 1,278        | 21.2%         | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>42</b>   | <b>100.0%</b> | <b>6,040</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |             |          |             |
| \$100,000 or less                               | 27  | 64.3%         | 1,213        | 20.1%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 8   | 19.0%         | 1,341        | 22.2%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 7   | 16.7%         | 3,486        | 57.7%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>42</b>   | <b>100.0%</b> | <b>6,040</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |             |          |             |
| \$100,000 or less                               | 8   | 66.7%         | 266          | 24.3%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 3   | 25.0%         | 512          | 46.7%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 1   | 8.3%          | 318          | 29.0%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>12</b>   | <b>100.0%</b> | <b>1,096</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (ALLENTOWN ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 8   | 6.0%          | 1,983         | 14.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 21  | 15.7%         | 1,701         | 12.8%         | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 74  | 55.2%         | 5,180         | 39.0%         | 4          | 80.0%         | 433        | 57.1%         |
| Upper   | 31  | 23.1%         | 4,409         | 33.2%         | 1          | 20.0%         | 325        | 42.9%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>134</b>  | <b>100.0%</b> | <b>13,273</b> | <b>100.0%</b> | <b>5</b>   | <b>100.0%</b> | <b>758</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 30  | 22.4%         | 3,167         | 23.9%         | 2          | 40.0%         | 425        | 56.1%         |
| Over \$1 Million                                | 20  | 14.9%         | 6,351         | 47.8%         | 3          | 60.0%         | 333        | 43.9%         |
| Not Known                                       | 84  | 62.7%         | 3,755         | 28.3%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>134</b>  | <b>100.0%</b> | <b>13,273</b> | <b>100.0%</b> | <b>5</b>   | <b>100.0%</b> | <b>758</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 102   | 76.1%         | 3,551         | 26.8%         | 3          | 60.0%         | 273        | 36.0%         |
| \$100,001 - \$250,000                           | 19  | 14.2%         | 2,836         | 21.4%         | 1          | 20.0%         | 160        | 21.1%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 13  | 9.7%          | 6,886         | 51.9%         | 1          | 20.0%         | 325        | 42.9%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>134</b>  | <b>100.0%</b> | <b>13,273</b> | <b>100.0%</b> | <b>5</b>   | <b>100.0%</b> | <b>758</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 21  | 70.0%         | 869           | 27.4%         | 1          | 50.0%         | 100        | 23.5%         |
| \$100,001 - \$250,000                           | 6   | 20.0%         | 983           | 31.0%         | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 3   | 10.0%         | 1,315         | 41.5%         | 1          | 50.0%         | 325        | 76.5%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>30</b>   | <b>100.0%</b> | <b>3,167</b>  | <b>100.0%</b> | <b>2</b>   | <b>100.0%</b> | <b>425</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (ATLANTIC CITY ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |             |          |             |
|---|---|---------------|---------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)      | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |               |               |            |             |          |             |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 2   | 3.5%          | 236           | 1.8%          | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 52  | 91.2%         | 12,727        | 96.6%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 3   | 5.3%          | 211           | 1.6%          | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>13,174</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |             |          |             |
| Total \$1 Million or Less                       | 24  | 42.1%         | 4,486         | 34.1%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 24  | 42.1%         | 8,419         | 63.9%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 9   | 15.8%         | 269           | 2.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>13,174</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |             |          |             |
| \$100,000 or less                               | 26  | 45.6%         | 1,353         | 10.3%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 16  | 28.1%         | 2,936         | 22.3%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 15  | 26.3%         | 8,885         | 67.4%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>13,174</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |             |          |             |
| \$100,000 or less                               | 11  | 45.8%         | 701           | 15.6%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 9   | 37.5%         | 1,575         | 35.1%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 4   | 16.7%         | 2,210         | 49.3%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>24</b>   | <b>100.0%</b> | <b>4,486</b>  | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (BALTIMORE ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |             |          |             |
|---|---|---------------|---------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)      | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |               |               |            |             |          |             |
| Low   | 4   | 1.9%          | 1,036         | 1.8%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 26  | 12.4%         | 7,427         | 13.2%         | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 97  | 46.4%         | 25,269        | 45.0%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 82  | 39.2%         | 22,440        | 39.9%         | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>209</b>  | <b>100.0%</b> | <b>56,172</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |             |          |             |
| Total \$1 Million or Less                       | 44  | 21.1%         | 11,036        | 19.6%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 117   | 56.0%         | 40,260        | 71.7%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 48  | 23.0%         | 4,876         | 8.7%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>209</b>  | <b>100.0%</b> | <b>56,172</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |             |          |             |
| \$100,000 or less                               | 78  | 37.3%         | 4,203         | 7.5%          | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 55  | 26.3%         | 9,482         | 16.9%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 76  | 36.4%         | 42,487        | 75.6%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>209</b>  | <b>100.0%</b> | <b>56,172</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |             |          |             |
| \$100,000 or less                               | 19  | 43.2%         | 997           | 9.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 8   | 18.2%         | 1,113         | 10.1%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 17  | 38.6%         | 8,926         | 80.9%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>44</b>   | <b>100.0%</b> | <b>11,036</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (GARRETT COUNTY ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |             |          |             |
|---|---|---------------|--------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)     | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |              |               |            |             |          |             |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 57  | 71.3%         | 3,510        | 49.7%         | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 23  | 28.8%         | 3,557        | 50.3%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>80</b>   | <b>100.0%</b> | <b>7,067</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |             |          |             |
| Total \$1 Million or Less                       | 33  | 41.3%         | 2,536        | 35.9%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 20  | 25.0%         | 2,984        | 42.2%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 27  | 33.8%         | 1,547        | 21.9%         | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>80</b>   | <b>100.0%</b> | <b>7,067</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |             |          |             |
| \$100,000 or less                               | 67  | 83.8%         | 2,674        | 37.8%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 8   | 10.0%         | 1,485        | 21.0%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 5   | 6.3%          | 2,908        | 41.1%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>80</b>   | <b>100.0%</b> | <b>7,067</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |             |          |             |
| \$100,000 or less                               | 28  | 84.8%         | 843          | 33.2%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 3   | 9.1%          | 522          | 20.6%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 2   | 6.1%          | 1,171        | 46.2%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>33</b>   | <b>100.0%</b> | <b>2,536</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HAGERSTOWN ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 12  | 5.6%          | 1,710         | 4.4%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 33  | 15.5%         | 5,986         | 15.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 98  | 46.0%         | 15,812        | 40.8%         | 1          | 33.3%         | 20         | 10.9%         |
| Upper   | 70  | 32.9%         | 15,239        | 39.3%         | 2          | 66.7%         | 164        | 89.1%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>213</b>  | <b>100.0%</b> | <b>38,747</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>184</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 72  | 33.8%         | 13,487        | 34.8%         | 2          | 66.7%         | 164        | 89.1%         |
| Over \$1 Million                                | 73  | 34.3%         | 20,526        | 53.0%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 68  | 31.9%         | 4,734         | 12.2%         | 1          | 33.3%         | 20         | 10.9%         |
| <b>Total</b>                                    | <b>213</b>  | <b>100.0%</b> | <b>38,747</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>184</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 119   | 55.9%         | 5,999         | 15.5%         | 2          | 66.7%         | 45         | 24.5%         |
| \$100,001 - \$250,000                           | 52  | 24.4%         | 9,608         | 24.8%         | 1          | 33.3%         | 139        | 75.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 42  | 19.7%         | 23,140        | 59.7%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>213</b>  | <b>100.0%</b> | <b>38,747</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>184</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 37  | 51.4%         | 2,007         | 14.9%         | 1          | 50.0%         | 25         | 15.2%         |
| \$100,001 - \$250,000                           | 20  | 27.8%         | 3,817         | 28.3%         | 1          | 50.0%         | 139        | 84.8%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 15  | 20.8%         | 7,663         | 56.8%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>72</b>   | <b>100.0%</b> | <b>13,487</b> | <b>100.0%</b> | <b>2</b>   | <b>100.0%</b> | <b>164</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HARRISBURG ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 7   | 5.3%          | 937           | 4.4%          | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 76  | 57.6%         | 9,475         | 44.7%         | 9          | 81.8%         | 597        | 71.8%         |
| Upper   | 49  | 37.1%         | 10,803        | 50.9%         | 2          | 18.2%         | 235        | 28.2%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>132</b>  | <b>100.0%</b> | <b>21,215</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>832</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 37  | 28.0%         | 8,099         | 38.2%         | 9          | 81.8%         | 722        | 86.8%         |
| Over \$1 Million                                | 29  | 22.0%         | 9,311         | 43.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 66  | 50.0%         | 3,805         | 17.9%         | 2          | 18.2%         | 110        | 13.2%         |
| <b>Total</b>                                    | <b>132</b>  | <b>100.0%</b> | <b>21,215</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>832</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 86  | 65.2%         | 4,152         | 19.6%         | 9          | 81.8%         | 487        | 58.5%         |
| \$100,001 - \$250,000                           | 25  | 18.9%         | 4,396         | 20.7%         | 2          | 18.2%         | 345        | 41.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 21  | 15.9%         | 12,667        | 59.7%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>132</b>  | <b>100.0%</b> | <b>21,215</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>832</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 19  | 51.4%         | 1,183         | 14.6%         | 7          | 77.8%         | 377        | 52.2%         |
| \$100,001 - \$250,000                           | 10  | 27.0%         | 1,982         | 24.5%         | 2          | 22.2%         | 345        | 47.8%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 8   | 21.6%         | 4,934         | 60.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>37</b>   | <b>100.0%</b> | <b>8,099</b>  | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>722</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |                |               | SMALL FARM |               |              |               |
|---|---|---------------|----------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)       | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |                |               |            |               |              |               |
| Low   | 7   | 1.3%          | 1,625          | 1.5%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 26  | 4.7%          | 4,044          | 3.8%          | 5          | 6.7%          | 645          | 7.8%          |
| Middle  | 452   | 82.0%         | 86,246         | 81.2%         | 70         | 93.3%         | 7,582        | 92.2%         |
| Upper   | 66  | 12.0%         | 14,315         | 13.5%         | 0          | 0.0%          | 0            | 0.0%          |
| Unknown   | 0   | 0.0%          | 0              | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>551</b>  | <b>100.0%</b> | <b>106,230</b> | <b>100.0%</b> | <b>75</b>  | <b>100.0%</b> | <b>8,227</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |                |               |            |               |              |               |
| Total \$1 Million or Less                       | 201   | 36.5%         | 36,381         | 34.2%         | 55         | 73.3%         | 6,398        | 77.8%         |
| Over \$1 Million                                | 176   | 31.9%         | 60,731         | 57.2%         | 7          | 9.3%          | 1,364        | 16.6%         |
| Not Known                                       | 174   | 31.6%         | 9,118          | 8.6%          | 13         | 17.3%         | 465          | 5.7%          |
| <b>Total</b>                                    | <b>551</b>  | <b>100.0%</b> | <b>106,230</b> | <b>100.0%</b> | <b>75</b>  | <b>100.0%</b> | <b>8,227</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |                |               |            |               |              |               |
| \$100,000 or less                               | 317   | 57.5%         | 14,066         | 13.2%         | 50         | 66.7%         | 2,710        | 32.9%         |
| \$100,001 - \$250,000                           | 105   | 19.1%         | 18,894         | 17.8%         | 18         | 24.0%         | 3,146        | 38.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 129   | 23.4%         | 73,270         | 69.0%         | 7          | 9.3%          | 2,371        | 28.8%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0              | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>551</b>  | <b>100.0%</b> | <b>106,230</b> | <b>100.0%</b> | <b>75</b>  | <b>100.0%</b> | <b>8,227</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |                |               |            |               |              |               |
| \$100,000 or less                               | 106   | 52.7%         | 4,781          | 13.1%         | 35         | 63.6%         | 2,124        | 33.2%         |
| \$100,001 - \$250,000                           | 50  | 24.9%         | 8,509          | 23.4%         | 15         | 27.3%         | 2,703        | 42.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 45  | 22.4%         | 23,091         | 63.5%         | 5          | 9.1%          | 1,571        | 24.6%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0              | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>201</b>  | <b>100.0%</b> | <b>36,381</b>  | <b>100.0%</b> | <b>55</b>  | <b>100.0%</b> | <b>6,398</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LEBANON ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |               |            |               |
|---|---|---------------|--------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)     | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |              |               |            |               |            |               |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 10  | 90.9%         | 3,908        | 99.7%         | 6          | 100.0%        | 617        | 100.0%        |
| Upper   | 1   | 9.1%          | 10           | 0.3%          | 0          | 0.0%          | 0          | 0.0%          |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>11</b>   | <b>100.0%</b> | <b>3,918</b> | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>617</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |               |            |               |
| Total \$1 Million or Less                       | 3   | 27.3%         | 758          | 19.3%         | 6          | 100.0%        | 617        | 100.0%        |
| Over \$1 Million                                | 6   | 54.5%         | 3,095        | 79.0%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 2   | 18.2%         | 65           | 1.7%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>11</b>   | <b>100.0%</b> | <b>3,918</b> | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>617</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |               |            |               |
| \$100,000 or less                               | 4   | 36.4%         | 160          | 4.1%          | 4          | 66.7%         | 267        | 43.3%         |
| \$100,001 - \$250,000                           | 1   | 9.1%          | 150          | 3.8%          | 2          | 33.3%         | 350        | 56.7%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 6   | 54.5%         | 3,608        | 92.1%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>11</b>   | <b>100.0%</b> | <b>3,918</b> | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>617</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |               |            |               |
| \$100,000 or less                               | 1   | 33.3%         | 10           | 1.3%          | 4          | 66.7%         | 267        | 43.3%         |
| \$100,001 - \$250,000                           | 0   | 0.0%          | 0            | 0.0%          | 2          | 33.3%         | 350        | 56.7%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 2   | 66.7%         | 748          | 98.7%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>3</b>  | <b>100.0%</b> | <b>758</b>   | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>617</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 16  | 11.9%         | 2,616         | 16.5%         | 3          | 8.1%          | 558          | 10.1%         |
| Middle  | 87  | 64.9%         | 8,018         | 50.6%         | 30         | 81.1%         | 4,572        | 82.7%         |
| Upper   | 31  | 23.1%         | 5,199         | 32.8%         | 4          | 10.8%         | 400          | 7.2%          |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>134</b>  | <b>100.0%</b> | <b>15,833</b> | <b>100.0%</b> | <b>37</b>  | <b>100.0%</b> | <b>5,530</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 38  | 28.4%         | 4,789         | 30.2%         | 29         | 78.4%         | 3,933        | 71.1%         |
| Over \$1 Million                                | 31  | 23.1%         | 8,271         | 52.2%         | 8          | 21.6%         | 1,597        | 28.9%         |
| Not Known                                       | 65  | 48.5%         | 2,773         | 17.5%         | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>134</b>  | <b>100.0%</b> | <b>15,833</b> | <b>100.0%</b> | <b>37</b>  | <b>100.0%</b> | <b>5,530</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 101   | 75.4%         | 3,700         | 23.4%         | 17         | 45.9%         | 802          | 14.5%         |
| \$100,001 - \$250,000                           | 15  | 11.2%         | 2,724         | 17.2%         | 14         | 37.8%         | 2,610        | 47.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 18  | 13.4%         | 9,409         | 59.4%         | 6          | 16.2%         | 2,118        | 38.3%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>134</b>  | <b>100.0%</b> | <b>15,833</b> | <b>100.0%</b> | <b>37</b>  | <b>100.0%</b> | <b>5,530</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 28  | 73.7%         | 1,195         | 25.0%         | 15         | 51.7%         | 686          | 17.4%         |
| \$100,001 - \$250,000                           | 3   | 7.9%          | 522           | 10.9%         | 10         | 34.5%         | 1,842        | 46.8%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 7   | 18.4%         | 3,072         | 64.1%         | 4          | 13.8%         | 1,405        | 35.7%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>38</b>   | <b>100.0%</b> | <b>4,789</b>  | <b>100.0%</b> | <b>29</b>  | <b>100.0%</b> | <b>3,933</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (PHILADELPHIA-CAMDEN ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 15  | 3.5%          | 3,530         | 4.5%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 29  | 6.8%          | 9,229         | 11.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 177   | 41.5%         | 27,431        | 35.3%         | 8          | 88.9%         | 810        | 97.6%         |
| Upper   | 204   | 47.8%         | 37,094        | 47.7%         | 1          | 11.1%         | 20         | 2.4%          |
| Unknown   | 2   | 0.5%          | 400           | 0.5%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>427</b>  | <b>100.0%</b> | <b>77,684</b> | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>830</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 158   | 37.0%         | 27,928        | 36.0%         | 7          | 77.8%         | 710        | 85.5%         |
| Over \$1 Million                                | 135   | 31.6%         | 40,846        | 52.6%         | 2          | 22.2%         | 120        | 14.5%         |
| Not Known                                       | 134   | 31.4%         | 8,910         | 11.5%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>427</b>  | <b>100.0%</b> | <b>77,684</b> | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>830</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 235   | 55.0%         | 10,746        | 13.8%         | 6          | 66.7%         | 365        | 44.0%         |
| \$100,001 - \$250,000                           | 97  | 22.7%         | 17,555        | 22.6%         | 3          | 33.3%         | 465        | 56.0%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 95  | 22.2%         | 49,383        | 63.6%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>427</b>  | <b>100.0%</b> | <b>77,684</b> | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>830</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 80  | 50.6%         | 3,855         | 13.8%         | 4          | 57.1%         | 245        | 34.5%         |
| \$100,001 - \$250,000                           | 41  | 25.9%         | 7,285         | 26.1%         | 3          | 42.9%         | 465        | 65.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 37  | 23.4%         | 16,788        | 60.1%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>158</b>  | <b>100.0%</b> | <b>27,928</b> | <b>100.0%</b> | <b>7</b>   | <b>100.0%</b> | <b>710</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (READING ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 7   | 4.5%          | 858           | 5.3%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 5   | 3.2%          | 220           | 1.4%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle  | 107   | 68.6%         | 10,914        | 67.5%         | 19         | 100.0%        | 2,362        | 100.0%        |
| Upper   | 37  | 23.7%         | 4,172         | 25.8%         | 0          | 0.0%          | 0            | 0.0%          |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>156</b>  | <b>100.0%</b> | <b>16,164</b> | <b>100.0%</b> | <b>19</b>  | <b>100.0%</b> | <b>2,362</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 47  | 30.1%         | 4,915         | 30.4%         | 16         | 84.2%         | 2,192        | 92.8%         |
| Over \$1 Million                                | 37  | 23.7%         | 7,997         | 49.5%         | 3          | 15.8%         | 170          | 7.2%          |
| Not Known                                       | 72  | 46.2%         | 3,252         | 20.1%         | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>156</b>  | <b>100.0%</b> | <b>16,164</b> | <b>100.0%</b> | <b>19</b>  | <b>100.0%</b> | <b>2,362</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 117   | 75.0%         | 5,030         | 31.1%         | 13         | 68.4%         | 687          | 29.1%         |
| \$100,001 - \$250,000                           | 23  | 14.7%         | 3,985         | 24.7%         | 3          | 15.8%         | 505          | 21.4%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 16  | 10.3%         | 7,149         | 44.2%         | 3          | 15.8%         | 1,170        | 49.5%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>156</b>  | <b>100.0%</b> | <b>16,164</b> | <b>100.0%</b> | <b>19</b>  | <b>100.0%</b> | <b>2,362</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 34  | 72.3%         | 1,502         | 30.6%         | 10         | 62.5%         | 517          | 23.6%         |
| \$100,001 - \$250,000                           | 8   | 17.0%         | 1,401         | 28.5%         | 3          | 18.8%         | 505          | 23.0%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 5   | 10.6%         | 2,012         | 40.9%         | 3          | 18.8%         | 1,170        | 53.4%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>47</b>   | <b>100.0%</b> | <b>4,915</b>  | <b>100.0%</b> | <b>16</b>  | <b>100.0%</b> | <b>2,192</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (SCRANTON ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |               |            |               |
|---|---|---------------|--------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)     | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |              |               |            |               |            |               |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 7   | 17.1%         | 564          | 13.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 22  | 53.7%         | 2,710        | 64.5%         | 2          | 66.7%         | 90         | 26.5%         |
| Upper   | 12  | 29.3%         | 927          | 22.1%         | 1          | 33.3%         | 250        | 73.5%         |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>41</b>   | <b>100.0%</b> | <b>4,201</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>340</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |               |            |               |
| Total \$1 Million or Less                       | 8   | 19.5%         | 1,091        | 26.0%         | 3          | 100.0%        | 340        | 100.0%        |
| Over \$1 Million                                | 8   | 19.5%         | 1,655        | 39.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 25  | 61.0%         | 1,455        | 34.6%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>41</b>   | <b>100.0%</b> | <b>4,201</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>340</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |               |            |               |
| \$100,000 or less                               | 32  | 78.0%         | 1,636        | 38.9%         | 2          | 66.7%         | 90         | 26.5%         |
| \$100,001 - \$250,000                           | 6   | 14.6%         | 1,065        | 25.4%         | 1          | 33.3%         | 250        | 73.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 3   | 7.3%          | 1,500        | 35.7%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>41</b>   | <b>100.0%</b> | <b>4,201</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>340</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |               |            |               |
| \$100,000 or less                               | 5   | 62.5%         | 266          | 24.4%         | 2          | 66.7%         | 90         | 26.5%         |
| \$100,001 - \$250,000                           | 2   | 25.0%         | 375          | 34.4%         | 1          | 33.3%         | 250        | 73.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 1   | 12.5%         | 450          | 41.2%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>8</b>  | <b>100.0%</b> | <b>1,091</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>340</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 5   | 3.5%          | 155           | 1.0%          | 1          | 9.1%          | 380          | 28.9%         |
| Middle  | 99  | 68.8%         | 11,459        | 74.0%         | 10         | 90.9%         | 935          | 71.1%         |
| Upper   | 40  | 27.8%         | 3,867         | 25.0%         | 0          | 0.0%          | 0            | 0.0%          |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>144</b>  | <b>100.0%</b> | <b>15,481</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,315</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 69  | 47.9%         | 6,056         | 39.1%         | 9          | 81.8%         | 1,190        | 90.5%         |
| Over \$1 Million                                | 23  | 16.0%         | 5,929         | 38.3%         | 0          | 0.0%          | 0            | 0.0%          |
| Not Known                                       | 52  | 36.1%         | 3,496         | 22.6%         | 2          | 18.2%         | 125          | 90.5%         |
| <b>Total</b>                                    | <b>144</b>  | <b>100.0%</b> | <b>15,481</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,315</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 103   | 71.5%         | 4,136         | 26.7%         | 7          | 63.6%         | 321          | 24.4%         |
| \$100,001 - \$250,000                           | 26  | 18.1%         | 4,511         | 29.1%         | 2          | 18.2%         | 299          | 22.7%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 15  | 10.4%         | 6,834         | 44.1%         | 2          | 18.2%         | 695          | 52.9%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>144</b>  | <b>100.0%</b> | <b>15,481</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,315</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 51  | 73.9%         | 1,715         | 28.3%         | 5          | 55.6%         | 196          | 16.5%         |
| \$100,001 - \$250,000                           | 12  | 17.4%         | 2,047         | 33.8%         | 2          | 22.2%         | 299          | 25.1%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 6   | 8.7%          | 2,294         | 37.9%         | 2          | 22.2%         | 695          | 58.4%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>69</b>   | <b>100.0%</b> | <b>6,056</b>  | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>1,190</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (STATE COLLEGE ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |             |          |             | SMALL FARM |             |          |             |
|---|---|-------------|----------|-------------|------------|-------------|----------|-------------|
|   | #   | %           | \$(000s) | %           | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |             |          |             |            |             |          |             |
| Low   | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>0</b>  | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |             |          |             |            |             |          |             |
| Total \$1 Million or Less                       | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>0</b>  | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |             |          |             |            |             |          |             |
| \$100,000 or less                               | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>0</b>  | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |             |          |             |            |             |          |             |
| \$100,000 or less                               | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%        | 0        | 0.0%        | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>0</b>  | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (WORCESTER ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |             |          |             |
|---|---|---------------|--------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)     | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |              |               |            |             |          |             |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 1   | 100.0%        | 1,000        | 100.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>1</b>  | <b>100.0%</b> | <b>1,000</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |             |          |             |
| Total \$1 Million or Less                       | 1   | 100.0%        | 1,000        | 100.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>1</b>  | <b>100.0%</b> | <b>1,000</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |             |          |             |
| \$100,000 or less                               | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 1   | 100.0%        | 1,000        | 100.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>1</b>  | <b>100.0%</b> | <b>1,000</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |             |          |             |
| \$100,000 or less                               | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 1   | 100.0%        | 1,000        | 100.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>0</b>  | <b>100.0%</b> | <b>1,000</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (VINELAND ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |             |          |             |
|---|---|---------------|---------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)      | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |               |               |            |             |          |             |
| Low   | 3   | 4.1%          | 460           | 2.7%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 12  | 16.4%         | 2,024         | 11.8%         | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 26  | 35.6%         | 6,680         | 39.0%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 32  | 43.8%         | 7,978         | 46.5%         | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>73</b>   | <b>100.0%</b> | <b>17,142</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |             |          |             |
| Total \$1 Million or Less                       | 30  | 41.1%         | 5,333         | 31.1%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 34  | 46.6%         | 11,098        | 64.7%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 9   | 12.3%         | 711           | 4.1%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>73</b>   | <b>100.0%</b> | <b>17,142</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |             |          |             |
| \$100,000 or less                               | 31  | 42.5%         | 1,603         | 9.4%          | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 16  | 21.9%         | 2,825         | 16.5%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 26  | 35.6%         | 12,714        | 74.2%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>73</b>   | <b>100.0%</b> | <b>17,142</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |             |          |             |
| \$100,000 or less                               | 16  | 53.3%         | 724           | 13.6%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 5   | 16.7%         | 898           | 16.8%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 9   | 30.0%         | 3,711         | 69.6%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>30</b>   | <b>100.0%</b> | <b>5,333</b>  | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (WILLIAMSPORT ASSESSMENT AREA)**

| Income Categories                                   | SMALL BUSINESS |               |               |               | SMALL FARM |               |            |               |
|---|----------------|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #              | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
| <b>By Tract Income</b>                              |                |               |               |               |            |               |            |               |
| Low   | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 13             | 13.8%         | 3,196         | 17.5%         | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 78             | 83.0%         | 15,044        | 82.3%         | 11         | 100.0%        | 470        | 100.0%        |
| Upper   | 3              | 3.2%          | 42            | 0.2%          | 0          | 0.0%          | 0          | 0.0%          |
| Unknown   | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>  | <b>94</b>      | <b>100.0%</b> | <b>18,282</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>470</b> | <b>100.0%</b> |
| <b>By Revenue</b>                                   |                |               |               |               |            |               |            |               |
| Total \$1 Million or Less                           | 41             | 43.6%         | 7,832         | 42.8%         | 11         | 100.0%        | 470        | 100.0%        |
| Over \$1 Million                                    | 21             | 22.3%         | 8,010         | 43.8%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known   | 32             | 34.0%         | 2,440         | 13.3%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>  | <b>94</b>      | <b>100.0%</b> | <b>18,282</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>470</b> | <b>100.0%</b> |
| <b>By Loan Size</b>                                 |                |               |               |               |            |               |            |               |
| \$100,000 or less                                   | 60             | 63.8%         | 2,525         | 13.8%         | 11         | 100.0%        | 470        | 100.0%        |
| \$100,001 - \$250,000                               | 11             | 11.7%         | 2,026         | 11.1%         | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm)     | 23             | 24.5%         | 13,731        | 75.1%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)             | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>  | <b>94</b>      | <b>100.0%</b> | <b>18,282</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>470</b> | <b>100.0%</b> |
| <b>By Loan Size and Revenue \$1 Million or Less</b> |                |               |               |               |            |               |            |               |
| \$100,000 or less                                   | 24             | 58.5%         | 1,024         | 13.1%         | 11         | 100.0%        | 470        | 100.0%        |
| \$100,001 - \$250,000                               | 4              | 9.8%          | 677           | 8.6%          | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm)     | 13             | 31.7%         | 6,131         | 78.3%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)            | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>  | <b>41</b>      | <b>100.0%</b> | <b>7,832</b>  | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>470</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2011 SMALL BUSINESS LOAN DISTRIBUTION TABLE (YORK-HANOVER-GETTYSBURG ASSESSMENT AREA)**

| Income Categories                                   | SMALL BUSINESS |               |               |               | SMALL FARM |               |              |               |
|---|----------------|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #              | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
| <b>By Tract Income</b>                              |                |               |               |               |            |               |              |               |
| Low   | 7              | 4.0%          | 631           | 2.4%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 18             | 10.2%         | 2,302         | 8.9%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle  | 120            | 68.2%         | 19,198        | 74.3%         | 12         | 75.0%         | 2,436        | 75.1%         |
| Upper   | 31             | 17.6%         | 3,707         | 14.3%         | 4          | 25.0%         | 806          | 24.9%         |
| Unknown   | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>  | <b>176</b>     | <b>100.0%</b> | <b>25,838</b> | <b>100.0%</b> | <b>16</b>  | <b>100.0%</b> | <b>3,242</b> | <b>100.0%</b> |
| <b>By Revenue</b>                                   |                |               |               |               |            |               |              |               |
| Total \$1 Million or Less                           | 64             | 36.4%         | 10,100        | 39.1%         | 14         | 87.5%         | 2,912        | 89.8%         |
| Over \$1 Million                                    | 39             | 22.2%         | 11,984        | 46.4%         | 1          | 6.3%          | 300          | 9.3%          |
| Not Known   | 73             | 41.5%         | 3,754         | 14.5%         | 1          | 6.3%          | 30           | 0.9%          |
| <b>Total</b>  | <b>176</b>     | <b>100.0%</b> | <b>25,838</b> | <b>100.0%</b> | <b>16</b>  | <b>100.0%</b> | <b>3,242</b> | <b>100.0%</b> |
| <b>By Loan Size</b>                                 |                |               |               |               |            |               |              |               |
| \$100,000 or less                                   | 116            | 65.9%         | 5,030         | 19.5%         | 7          | 43.8%         | 325          | 10.0%         |
| \$100,001 - \$250,000                               | 33             | 18.8%         | 5,639         | 21.8%         | 2          | 12.5%         | 450          | 13.9%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm)     | 27             | 15.3%         | 15,169        | 58.7%         | 7          | 43.8%         | 2,467        | 76.1%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)             | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>  | <b>176</b>     | <b>100.0%</b> | <b>25,838</b> | <b>100.0%</b> | <b>16</b>  | <b>100.0%</b> | <b>3,242</b> | <b>100.0%</b> |
| <b>By Loan Size and Revenue \$1 Million or Less</b> |                |               |               |               |            |               |              |               |
| \$100,000 or less                                   | 38             | 59.4%         | 1,650         | 16.3%         | 6          | 42.9%         | 295          | 10.1%         |
| \$100,001 - \$250,000                               | 15             | 23.4%         | 2,763         | 27.4%         | 2          | 14.3%         | 450          | 15.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm)     | 11             | 17.2%         | 5,687         | 56.3%         | 6          | 42.9%         | 2,167        | 74.4%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)            | 0              | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>  | <b>64</b>      | <b>100.0%</b> | <b>10,100</b> | <b>100.0%</b> | <b>14</b>  | <b>100.0%</b> | <b>2,912</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (ALLEGANY COUNTY ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |             |          |             |
|---|---|---------------|--------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)     | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |              |               |            |             |          |             |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 4   | 12.1%         | 401          | 8.1%          | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 23  | 69.7%         | 4,068        | 82.0%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 6   | 18.2%         | 493          | 9.9%          | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>33</b>   | <b>100.0%</b> | <b>4,962</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |             |          |             |
| Total \$1 Million or Less                       | 8   | 24.2%         | 996          | 20.1%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 11  | 33.3%         | 2,888        | 58.2%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 14  | 42.4%         | 1,078        | 21.7%         | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>33</b>   | <b>100.0%</b> | <b>4,962</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |             |          |             |
| \$100,000 or less                               | 21  | 63.6%         | 967          | 19.5%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 6   | 18.2%         | 852          | 17.2%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 6   | 18.2%         | 3,143        | 63.3%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>33</b>   | <b>100.0%</b> | <b>4,962</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |             |          |             |
| \$100,000 or less                               | 5   | 62.5%         | 131          | 13.2%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 2   | 25.0%         | 265          | 26.6%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 1   | 12.5%         | 600          | 60.2%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>8</b>  | <b>100.0%</b> | <b>996</b>   | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (ALLENTOWN ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 20  | 15.5%         | 2,226         | 16.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 22  | 17.1%         | 2,437         | 17.9%         | 1          | 10.0%         | 77         | 8.0%          |
| Middle  | 56  | 43.4%         | 5,131         | 37.7%         | 7          | 70.0%         | 550        | 57.5%         |
| Upper   | 31  | 24.0%         | 3,806         | 28.0%         | 2          | 20.0%         | 330        | 34.5%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>129</b>  | <b>100.0%</b> | <b>13,600</b> | <b>100.0%</b> | <b>10</b>  | <b>100.0%</b> | <b>957</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 30  | 23.3%         | 4,377         | 32.2%         | 9          | 90.0%         | 932        | 97.4%         |
| Over \$1 Million                                | 22  | 17.1%         | 5,408         | 39.8%         | 1          | 10.0%         | 25         | 2.6%          |
| Not Known                                       | 77  | 59.7%         | 3,815         | 28.1%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>129</b>  | <b>100.0%</b> | <b>13,600</b> | <b>100.0%</b> | <b>10</b>  | <b>100.0%</b> | <b>957</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 96  | 74.4%         | 3,876         | 28.5%         | 7          | 70.0%         | 277        | 28.9%         |
| \$100,001 - \$250,000                           | 18  | 14.0%         | 3,109         | 22.9%         | 2          | 20.0%         | 330        | 34.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 15  | 11.6%         | 6,615         | 48.6%         | 1          | 10.0%         | 350        | 36.6%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>129</b>  | <b>100.0%</b> | <b>13,600</b> | <b>100.0%</b> | <b>10</b>  | <b>100.0%</b> | <b>957</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 17  | 56.7%         | 789           | 18.0%         | 6          | 66.7%         | 252        | 27.0%         |
| \$100,001 - \$250,000                           | 8   | 26.7%         | 1,520         | 34.7%         | 2          | 22.2%         | 330        | 35.4%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 5   | 16.7%         | 2,068         | 47.2%         | 1          | 11.1%         | 350        | 37.6%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>30</b>   | <b>100.0%</b> | <b>4,377</b>  | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>932</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (ATLANTIC CITY ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |           |               |
|---|---|---------------|---------------|---------------|------------|---------------|-----------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)  | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |           |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0         | 0.0%          |
| Moderate  | 3   | 5.7%          | 264           | 2.2%          | 0          | 0.0%          | 0         | 0.0%          |
| Middle  | 41  | 77.4%         | 10,084        | 82.8%         | 1          | 100.0%        | 22        | 100.0%        |
| Upper   | 9   | 17.0%         | 1,828         | 15.0%         | 0          | 0.0%          | 0         | 0.0%          |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0         | 0.0%          |
| <b>Total</b>                                    | <b>53</b>   | <b>100.0%</b> | <b>12,176</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>22</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |           |               |
| Total \$1 Million or Less                       | 19  | 35.8%         | 6,009         | 49.4%         | 1          | 100.0%        | 22        | 100.0%        |
| Over \$1 Million                                | 16  | 30.2%         | 4,433         | 36.4%         | 0          | 0.0%          | 0         | 0.0%          |
| Not Known                                       | 18  | 34.0%         | 1,734         | 14.2%         | 0          | 0.0%          | 0         | 0.0%          |
| <b>Total</b>                                    | <b>53</b>   | <b>100.0%</b> | <b>12,176</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>22</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |           |               |
| \$100,000 or less                               | 20  | 37.7%         | 1,292         | 10.6%         | 1          | 100.0%        | 22        | 100.0%        |
| \$100,001 - \$250,000                           | 18  | 34.0%         | 3,068         | 25.2%         | 0          | 0.0%          | 0         | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 15  | 28.3%         | 7,816         | 64.2%         | 0          | 0.0%          | 0         | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0         | 0.0%          |
| <b>Total</b>                                    | <b>53</b>   | <b>100.0%</b> | <b>12,176</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>22</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |           |               |
| \$100,000 or less                               | 5   | 26.3%         | 402           | 6.7%          | 1          | 100.0%        | 22        | 100.0%        |
| \$100,001 - \$250,000                           | 5   | 26.3%         | 876           | 14.6%         | 0          | 0.0%          | 0         | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 9   | 47.4%         | 4,731         | 78.7%         | 0          | 0.0%          | 0         | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0         | 0.0%          |
| <b>Total</b>                                    | <b>19</b>   | <b>100.0%</b> | <b>6,009</b>  | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>22</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (BALTIMORE ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 8   | 3.3%          | 1,748         | 2.9%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 35  | 14.3%         | 6,695         | 11.2%         | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 86  | 35.2%         | 19,368        | 32.5%         | 1          | 100.0%        | 175        | 100.0%        |
| Upper   | 115   | 47.1%         | 31,708        | 53.3%         | 0          | 0.0%          | 0          | 0.0%          |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>244</b>  | <b>100.0%</b> | <b>59,519</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>175</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 57  | 23.4%         | 14,602        | 24.5%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million                                | 109   | 44.7%         | 37,161        | 62.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 78  | 32.0%         | 7,756         | 13.0%         | 1          | 100.0%        | 175        | 100.0%        |
| <b>Total</b>                                    | <b>244</b>  | <b>100.0%</b> | <b>59,519</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>175</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 110   | 45.1%         | 5,937         | 10.0%         | 0          | 0.0%          | 0          | 0.0%          |
| \$100,001 - \$250,000                           | 57  | 23.4%         | 10,485        | 17.6%         | 1          | 100.0%        | 175        | 100.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 77  | 31.6%         | 43,097        | 72.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>244</b>  | <b>100.0%</b> | <b>59,519</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>175</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 25  | 43.9%         | 1,147         | 7.9%          | 0          | 0.0%          | 0          | 0.0%          |
| \$100,001 - \$250,000                           | 7   | 12.3%         | 1,053         | 7.2%          | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 25  | 43.9%         | 12,402        | 84.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>14,602</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b>   | <b>0</b>   | <b>0.0%</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (GARRETT COUNTY ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |               |            |               |
|---|---|---------------|--------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)     | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |              |               |            |               |            |               |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 7   | 28.0%         | 1,152        | 28.0%         | 1          | 100.0%        | 215        | 100.0%        |
| Middle  | 18  | 72.0%         | 2,959        | 72.0%         | 0          | 0.0%          | 0          | 0.0%          |
| Upper   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>25</b>   | <b>100.0%</b> | <b>4,111</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>215</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |               |            |               |
| Total \$1 Million or Less                       | 8   | 32.0%         | 1,648        | 40.1%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million                                | 7   | 28.0%         | 1,212        | 29.5%         | 1          | 100.0%        | 215        | 100.0%        |
| Not Known                                       | 10  | 40.0%         | 1,251        | 30.4%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>25</b>   | <b>100.0%</b> | <b>4,111</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>215</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |               |            |               |
| \$100,000 or less                               | 13  | 52.0%         | 445          | 10.8%         | 0          | 0.0%          | 0          | 0.0%          |
| \$100,001 - \$250,000                           | 6   | 24.0%         | 996          | 24.2%         | 1          | 100.0%        | 215        | 100.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 6   | 24.0%         | 2,670        | 64.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>25</b>   | <b>100.0%</b> | <b>4,111</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>215</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |               |            |               |
| \$100,000 or less                               | 5   | 62.5%         | 106          | 6.4%          | 0          | 0.0%          | 0          | 0.0%          |
| \$100,001 - \$250,000                           | 1   | 12.5%         | 225          | 13.7%         | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 2   | 25.0%         | 1,317        | 79.9%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>8</b>  | <b>100.0%</b> | <b>1,648</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b>   | <b>0</b>   | <b>0.0%</b>   |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HAGERSTOWN ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 15  | 7.1%          | 1,805         | 4.4%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 44  | 21.0%         | 7,119         | 17.3%         | 0          | 0.0%          | 0            | 0.0%          |
| Middle  | 92  | 43.8%         | 18,437        | 44.8%         | 3          | 50.0%         | 305          | 26.4%         |
| Upper   | 59  | 28.1%         | 13,830        | 33.6%         | 3          | 50.0%         | 850          | 73.6%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>210</b>  | <b>100.0%</b> | <b>41,191</b> | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>1,155</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 77  | 36.7%         | 12,986        | 31.5%         | 4          | 66.7%         | 950          | 82.3%         |
| Over \$1 Million                                | 73  | 34.8%         | 22,991        | 55.8%         | 0          | 0.0%          | 0            | 0.0%          |
| Not Known                                       | 60  | 28.6%         | 5,214         | 12.7%         | 2          | 33.3%         | 205          | 17.7%         |
| <b>Total</b>                                    | <b>210</b>  | <b>100.0%</b> | <b>41,191</b> | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>1,155</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 113   | 53.8%         | 5,271         | 12.8%         | 2          | 33.3%         | 120          | 10.4%         |
| \$100,001 - \$250,000                           | 51  | 24.3%         | 9,168         | 22.3%         | 2          | 33.3%         | 360          | 31.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 46  | 21.9%         | 26,752        | 64.9%         | 2          | 33.3%         | 675          | 58.4%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>210</b>  | <b>100.0%</b> | <b>41,191</b> | <b>100.0%</b> | <b>6</b>   | <b>100.0%</b> | <b>1,155</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 43  | 55.8%         | 2,014         | 15.5%         | 1          | 25.0%         | 100          | 10.5%         |
| \$100,001 - \$250,000                           | 22  | 28.6%         | 4,027         | 31.0%         | 1          | 25.0%         | 175          | 18.4%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 12  | 15.6%         | 6,945         | 53.5%         | 2          | 50.0%         | 675          | 71.1%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>77</b>   | <b>100.0%</b> | <b>12,986</b> | <b>100.0%</b> | <b>4</b>   | <b>100.0%</b> | <b>950</b>   | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HARRISBURG ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 1   | 0.4%          | 600           | 1.5%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 41  | 18.2%         | 5,774         | 14.9%         | 1          | 5.3%          | 10           | 0.6%          |
| Middle  | 112   | 49.8%         | 18,588        | 48.0%         | 16         | 84.2%         | 1,611        | 88.7%         |
| Upper   | 71  | 31.6%         | 13,781        | 35.6%         | 2          | 10.5%         | 196          | 10.8%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>225</b>  | <b>100.0%</b> | <b>38,743</b> | <b>100.0%</b> | <b>19</b>  | <b>100.0%</b> | <b>1,817</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 66  | 29.3%         | 13,082        | 33.8%         | 16         | 84.2%         | 1,657        | 91.2%         |
| Over \$1 Million                                | 56  | 24.9%         | 16,956        | 43.8%         | 0          | 0.0%          | 0            | 0.0%          |
| Not Known                                       | 103   | 45.8%         | 8,705         | 22.5%         | 3          | 15.8%         | 160          | 8.8%          |
| <b>Total</b>                                    | <b>225</b>  | <b>100.0%</b> | <b>38,743</b> | <b>100.0%</b> | <b>19</b>  | <b>100.0%</b> | <b>1,817</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 118   | 52.4%         | 6,110         | 15.8%         | 15         | 78.9%         | 615          | 33.8%         |
| \$100,001 - \$250,000                           | 63  | 28.0%         | 10,953        | 28.3%         | 2          | 10.5%         | 371          | 20.4%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 44  | 19.6%         | 21,680        | 56.0%         | 2          | 10.5%         | 831          | 45.7%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>225</b>  | <b>100.0%</b> | <b>38,743</b> | <b>100.0%</b> | <b>19</b>  | <b>100.0%</b> | <b>1,817</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 34  | 51.5%         | 1,810         | 13.8%         | 12         | 75.0%         | 455          | 27.5%         |
| \$100,001 - \$250,000                           | 15  | 22.7%         | 2,601         | 19.9%         | 2          | 12.5%         | 371          | 22.4%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 17  | 25.8%         | 8,671         | 66.3%         | 2          | 12.5%         | 831          | 50.2%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>66</b>   | <b>100.0%</b> | <b>13,082</b> | <b>100.0%</b> | <b>16</b>  | <b>100.0%</b> | <b>1,657</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER ASSESSMENT AREA)**

| Income Categories                           | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 7   | 1.4%          | 716           | 0.7%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate                                    | 16  | 3.3%          | 2,802         | 2.9%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle                                      | 372   | 76.9%         | 71,708        | 74.7%         | 63         | 90.0%         | 8,096        | 83.1%         |
| Upper                                       | 89  | 18.4%         | 20,721        | 21.6%         | 7          | 10.0%         | 1,648        | 16.9%         |
| Unknown                                     | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>484</b>  | <b>100.0%</b> | <b>95,947</b> | <b>100.0%</b> | <b>70</b>  | <b>100.0%</b> | <b>9,744</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                   | 200   | 41.3%         | 38,857        | 40.5%         | 54         | 77.1%         | 6,542        | 67.1%         |
| Over \$1 Million                            | 147   | 30.4%         | 47,563        | 49.6%         | 7          | 10.0%         | 2,625        | 26.9%         |
| Not Known                                   | 137   | 28.3%         | 9,527         | 9.9%          | 9          | 12.9%         | 577          | 5.9%          |
| <b>Total</b>                                | <b>484</b>  | <b>100.0%</b> | <b>95,947</b> | <b>100.0%</b> | <b>70</b>  | <b>100.0%</b> | <b>9,744</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                           | 280   | 57.9%         | 12,728        | 13.3%         | 40         | 57.1%         | 1,825        | 18.7%         |
| \$100,001 - \$250,000                       | 90  | 18.6%         | 16,676        | 17.4%         | 17         | 24.3%         | 3,018        | 31.0%         |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 114   | 23.6%         | 66,543        | 69.4%         | 13         | 18.6%         | 4,901        | 50.3%         |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>484</b>  | <b>100.0%</b> | <b>95,947</b> | <b>100.0%</b> | <b>70</b>  | <b>100.0%</b> | <b>9,744</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                           | 110   | 55.0%         | 4,861         | 12.5%         | 33         | 61.1%         | 1,530        | 23.4%         |
| \$100,001 - \$250,000                       | 40  | 20.0%         | 7,881         | 20.3%         | 14         | 25.9%         | 2,536        | 38.8%         |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 50  | 25.0%         | 26,115        | 67.2%         | 7          | 13.0%         | 2,476        | 37.8%         |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>200</b>  | <b>100.0%</b> | <b>38,857</b> | <b>100.0%</b> | <b>54</b>  | <b>100.0%</b> | <b>6,542</b> | <b>100.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LEBANON ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 3   | 5.3%          | 415           | 2.7%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle  | 36  | 63.2%         | 9,949         | 65.5%         | 10         | 90.9%         | 1,290        | 72.1%         |
| Upper   | 18  | 31.6%         | 4,821         | 31.7%         | 1          | 9.1%          | 500          | 27.9%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>15,185</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,790</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 23  | 40.4%         | 5,353         | 35.3%         | 9          | 81.8%         | 1,365        | 76.3%         |
| Over \$1 Million                                | 22  | 38.6%         | 9,126         | 60.1%         | 1          | 9.1%          | 360          | 20.1%         |
| Not Known                                       | 12  | 21.1%         | 706           | 4.6%          | 1          | 9.1%          | 65           | 3.6%          |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>15,185</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,790</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 26  | 45.6%         | 1,422         | 9.4%          | 6          | 54.5%         | 335          | 18.7%         |
| \$100,001 - \$250,000                           | 10  | 17.5%         | 2,176         | 14.3%         | 3          | 27.3%         | 595          | 33.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 21  | 36.8%         | 11,587        | 76.3%         | 2          | 18.2%         | 860          | 48.0%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>57</b>   | <b>100.0%</b> | <b>15,185</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,790</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 11  | 47.8%         | 675           | 12.6%         | 5          | 55.6%         | 270          | 19.8%         |
| \$100,001 - \$250,000                           | 4   | 17.4%         | 905           | 16.9%         | 3          | 33.3%         | 595          | 43.6%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 8   | 34.8%         | 3,773         | 70.5%         | 1          | 11.1%         | 500          | 36.6%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>23</b>   | <b>100.0%</b> | <b>5,353</b>  | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>1,365</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 22  | 14.2%         | 1,099         | 6.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle  | 108   | 69.7%         | 14,618        | 80.3%         | 34         | 85.0%         | 5,859        | 94.8%         |
| Upper   | 25  | 16.1%         | 2,476         | 13.6%         | 6          | 15.0%         | 324          | 5.2%          |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>155</b>  | <b>100.0%</b> | <b>18,193</b> | <b>100.0%</b> | <b>40</b>  | <b>100.0%</b> | <b>6,183</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 38  | 24.5%         | 4,530         | 24.9%         | 30         | 75.0%         | 4,280        | 69.2%         |
| Over \$1 Million                                | 30  | 19.4%         | 8,643         | 47.5%         | 10         | 25.0%         | 1,903        | 30.8%         |
| Not Known                                       | 87  | 56.1%         | 5,020         | 27.6%         | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>155</b>  | <b>100.0%</b> | <b>18,193</b> | <b>100.0%</b> | <b>40</b>  | <b>100.0%</b> | <b>6,183</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 111   | 71.6%         | 3,747         | 20.6%         | 16         | 40.0%         | 762          | 12.3%         |
| \$100,001 - \$250,000                           | 26  | 16.8%         | 4,461         | 24.5%         | 17         | 42.5%         | 2,929        | 47.4%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 18  | 11.6%         | 9,985         | 54.9%         | 7          | 17.5%         | 2,492        | 40.3%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>155</b>  | <b>100.0%</b> | <b>18,193</b> | <b>100.0%</b> | <b>40</b>  | <b>100.0%</b> | <b>6,183</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 25  | 65.8%         | 784           | 17.3%         | 15         | 50.0%         | 708          | 16.5%         |
| \$100,001 - \$250,000                           | 9   | 23.7%         | 1,696         | 37.4%         | 9          | 30.0%         | 1,550        | 36.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 4   | 10.5%         | 2,050         | 45.3%         | 6          | 20.0%         | 2,022        | 47.2%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>38</b>   | <b>100.0%</b> | <b>4,530</b>  | <b>100.0%</b> | <b>30</b>  | <b>100.0%</b> | <b>4,280</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (PHILADELPHIA-CAMDEN ASSESSMENT AREA)**

| Income Categories                           | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 14  | 2.3%          | 2,094         | 2.2%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate                                    | 42  | 6.9%          | 7,890         | 8.3%          | 0          | 0.0%          | 0            | 0.0%          |
| Low/Moderate Total                          | 56  | 9.2%          | 9,984         | 10.6%         | 0          | 0.0%          | 0            | 0.0%          |
| Middle                                      | 188   | 30.8%         | 28,499        | 30.1%         | 2          | 18.2%         | 65           | 6.3%          |
| Upper                                       | 365   | 59.8%         | 56,013        | 59.2%         | 9          | 81.8%         | 959          | 93.7%         |
| Unknown                                     | 1   | 0.2%          | 80            | 0.1%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>610</b>  | <b>100.0%</b> | <b>94,576</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,024</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                   | 134   | 22.0%         | 22,258        | 23.5%         | 9          | 81.8%         | 514          | 50.2%         |
| Over \$1 Million                            | 169   | 27.7%         | 47,801        | 50.5%         | 1          | 9.1%          | 500          | 48.8%         |
| Not Known                                   | 307   | 50.3%         | 24,517        | 25.9%         | 1          | 9.1%          | 10           | 1.0%          |
| <b>Total</b>                                | <b>610</b>  | <b>100.0%</b> | <b>94,576</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,024</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                           | 357   | 58.5%         | 16,717        | 17.7%         | 10         | 90.9%         | 524          | 51.2%         |
| \$100,001 - \$250,000                       | 148   | 24.3%         | 26,473        | 28.0%         | 0          | 0.0%          | 0            | 0.0%          |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 105   | 17.2%         | 51,386        | 54.3%         | 1          | 9.1%          | 500          | 48.8%         |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>610</b>  | <b>100.0%</b> | <b>94,576</b> | <b>100.0%</b> | <b>11</b>  | <b>100.0%</b> | <b>1,024</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                           | 70  | 52.2%         | 3,396         | 15.3%         | 9          | 100.0%        | 514          | 100.0%        |
| \$100,001 - \$250,000                       | 38  | 28.4%         | 6,855         | 30.8%         | 0          | 0.0%          | 0            | 0.0%          |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 26  | 19.4%         | 12,007        | 53.9%         | 0          | 0.0%          | 0            | 0.0%          |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>134</b>  | <b>100.0%</b> | <b>22,258</b> | <b>100.0%</b> | <b>9</b>   | <b>100.0%</b> | <b>514</b>   | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (READING ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 12  | 6.1           | 1,701         | 6.4%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate  | 11  | 5.6%          | 1,645         | 6.2%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle  | 102   | 52.0%         | 15,241        | 57.0%         | 11         | 78.6%         | 1,480        | 84.8%         |
| Upper   | 71  | 36.2%         | 8,135         | 30.4%         | 3          | 21.4%         | 265          | 15.2%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>196</b>  | <b>100.0%</b> | <b>26,722</b> | <b>100.0%</b> | <b>14</b>  | <b>100.0%</b> | <b>1,745</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                       | 46  | 23.5%         | 6,159         | 23.0%         | 8          | 57.1%         | 1,082        | 62.0%         |
| Over \$1 Million                                | 50  | 25.5%         | 13,710        | 51.3%         | 6          | 42.9%         | 663          | 38.0%         |
| Not Known                                       | 100   | 51.0%         | 6,853         | 25.6%         | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>196</b>  | <b>100.0%</b> | <b>26,722</b> | <b>100.0%</b> | <b>14</b>  | <b>100.0%</b> | <b>1,745</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                               | 123   | 62.8%         | 5,412         | 20.3%         | 7          | 50.0%         | 417          | 23.9%         |
| \$100,001 - \$250,000                           | 45  | 23.0%         | 7,703         | 28.8%         | 6          | 42.9%         | 928          | 53.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 28  | 14.3%         | 13,607        | 50.9%         | 1          | 7.1%          | 400          | 22.9%         |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>196</b>  | <b>100.0%</b> | <b>26,722</b> | <b>100.0%</b> | <b>14</b>  | <b>100.0%</b> | <b>1,745</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                               | 29  | 63.0%         | 1,429         | 23.2%         | 4          | 50.0%         | 167          | 15.4%         |
| \$100,001 - \$250,000                           | 11  | 23.9%         | 1,874         | 30.4%         | 3          | 37.5%         | 515          | 47.6%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 6   | 13.0%         | 2,856         | 46.4%         | 1          | 12.5%         | 400          | 37.0%         |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                    | <b>46</b>   | <b>100.0%</b> | <b>6,159</b>  | <b>100.0%</b> | <b>8</b>   | <b>100.0%</b> | <b>1,082</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (SCRANTON ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |               |            |               |
|---|---|---------------|--------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)     | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |              |               |            |               |            |               |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 3   | 10.3%         | 124          | 3.7%          | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 23  | 79.3%         | 2,987        | 88.9%         | 3          | 100.0%        | 366        | 100.0%        |
| Upper   | 3   | 10.3%         | 248          | 7.4%          | 0          | 0.0%          | 0          | 0.0%          |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>29</b>   | <b>100.0%</b> | <b>3,359</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>366</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |               |            |               |
| Total \$1 Million or Less                       | 5   | 17.2%         | 693          | 20.6%         | 3          | 100.0%        | 366        | 100.0%        |
| Over \$1 Million                                | 11  | 37.9%         | 1,862        | 55.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 13  | 44.8%         | 804          | 23.9%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>29</b>   | <b>100.0%</b> | <b>3,359</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>366</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |               |            |               |
| \$100,000 or less                               | 19  | 65.5%         | 791          | 23.5%         | 1          | 33.3%         | 75         | 20.5%         |
| \$100,001 - \$250,000                           | 8   | 27.6%         | 1,618        | 48.2%         | 2          | 66.7%         | 291        | 79.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 2   | 6.9%          | 950          | 28.3%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>29</b>   | <b>100.0%</b> | <b>3,359</b> | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>366</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |               |            |               |
| \$100,000 or less                               | 2   | 40.0%         | 75           | 10.8%         | 1          | 33.3%         | 75         | 20.5%         |
| \$100,001 - \$250,000                           | 3   | 60.0%         | 618          | 89.2%         | 2          | 66.7%         | 291        | 79.5%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>5</b>  | <b>100.0%</b> | <b>693</b>   | <b>100.0%</b> | <b>3</b>   | <b>100.0%</b> | <b>366</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA)**

| Income Categories                           | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Moderate                                    | 9   | 3.9%          | 1,128         | 3.5%          | 0          | 0.0%          | 0            | 0.0%          |
| Low/Moderate Total                          | 9   | 3.9%          | 1,128         | 3.5%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle                                      | 111   | 48.3%         | 16,168        | 50.1%         | 31         | 88.6%         | 2,010        | 84.8%         |
| Upper                                       | 110   | 47.8%         | 14,949        | 46.4%         | 4          | 11.4%         | 359          | 15.2%         |
| Unknown                                     | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>230</b>  | <b>100.0%</b> | <b>32,245</b> | <b>100.0%</b> | <b>35</b>  | <b>100.0%</b> | <b>2,369</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                   | 94  | 40.9%         | 13,484        | 41.8%         | 32         | 91.4%         | 2,164        | 90.1%         |
| Over \$1 Million                            | 46  | 20.0%         | 13,099        | 40.6%         | 1          | 2.9%          | 150          | 6.3%          |
| Not Known                                   | 90  | 39.1%         | 5,662         | 17.6%         | 2          | 5.7%          | 85           | 3.6%          |
| <b>Total</b>                                | <b>230</b>  | <b>100.0%</b> | <b>32,245</b> | <b>100.0%</b> | <b>35</b>  | <b>100.0%</b> | <b>2,369</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                           | 158   | 68.7%         | 7,380         | 22.9%         | 28         | 80.0%         | 1,135        | 47.9%         |
| \$100,001 - \$250,000                       | 36  | 15.7%         | 7,145         | 22.2%         | 7          | 20.0%         | 1,234        | 52.1%         |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 36  | 15.7%         | 17,720        | 55.0%         | 0          | 0.0%          | 0            | 0.0%          |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>230</b>  | <b>100.0%</b> | <b>32,245</b> | <b>100.0%</b> | <b>35</b>  | <b>100.0%</b> | <b>2,369</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                           | 61  | 64.9%         | 2,944         | 21.8%         | 26         | 81.3%         | 1,050        | 49.2%         |
| \$100,001 - \$250,000                       | 18  | 19.1%         | 3,653         | 27.1%         | 6          | 18.8%         | 1,084        | 50.8%         |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 15  | 16.0%         | 6,887         | 51.1%         | 0          | 0.0%          | 0            | 0.0%          |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>94</b>   | <b>100.0%</b> | <b>13,484</b> | <b>100.0%</b> | <b>32</b>  | <b>100.0%</b> | <b>2,134</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (STATE COLLEGE ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 1   | 2.4%          | 572           | 4.7%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 20  | 47.6%         | 4,652         | 38.0%         | 0          | 0.0%          | 0          | 0.0%          |
| Upper   | 21  | 50.0%         | 7,019         | 57.3%         | 1          | 100.0%        | 401        | 100.0%        |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>42</b>   | <b>100.0%</b> | <b>12,243</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>401</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 23  | 54.8%         | 7,153         | 58.4%         | 1          | 100.0%        | 401        | 100.0%        |
| Over \$1 Million                                | 8   | 19.0%         | 3,473         | 28.4%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 11  | 26.2%         | 1,617         | 13.2%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>42</b>   | <b>100.0%</b> | <b>12,243</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>401</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 8   | 19.0%         | 518           | 4.2%          | 0          | 0.0%          | 0          | 0.0%          |
| \$100,001 - \$250,000                           | 17  | 40.5%         | 3,004         | 24.5%         | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 17  | 40.5%         | 8,721         | 71.2%         | 1          | 100.0%        | 401        | 100.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>42</b>   | <b>100.0%</b> | <b>12,243</b> | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>401</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 4   | 17.4%         | 252           | 3.5%          | 0          | 0.0%          | 0          | 0.0%          |
| \$100,001 - \$250,000                           | 8   | 34.8%         | 1,363         | 19.1%         | 0          | 0.0%          | 0          | 0.0%          |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 11  | 47.8%         | 5,538         | 77.4%         | 1          | 100.0%        | 401        | 100.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>23</b>   | <b>100.0%</b> | <b>7,153</b>  | <b>100.0%</b> | <b>1</b>   | <b>100.0%</b> | <b>401</b> | <b>100.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (WORCESTER ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |              |               | SMALL FARM |             |          |             |
|---|---|---------------|--------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)     | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |              |               |            |             |          |             |
| Low   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 4   | 100.0%        | 2,573        | 100.0%        | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>4</b>  | <b>100.0%</b> | <b>2,573</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |              |               |            |             |          |             |
| Total \$1 Million or Less                       | 1   | 25.0%         | 39           | 1.5%          | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 3   | 75.0%         | 2,534        | 98.5%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>4</b>  | <b>100.0%</b> | <b>2,573</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |              |               |            |             |          |             |
| \$100,000 or less                               | 1   | 25.0%         | 39           | 1.5%          | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 3   | 75.0%         | 2,534        | 98.5%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>4</b>  | <b>100.0%</b> | <b>2,573</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |              |               |            |             |          |             |
| \$100,000 or less                               | 1   | 100.0%        | 39           | 100.0%        | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0            | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>1</b>  | <b>100.0%</b> | <b>39</b>    | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |



**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (VINELAND ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |             |          |             |
|---|---|---------------|---------------|---------------|------------|-------------|----------|-------------|
|   | #   | %             | \$(000s)      | %             | #          | %           | \$(000s) | %           |
|   | <b>By Tract Income</b>                              |               |               |               |            |             |          |             |
| Low   | 6   | 6.9%          | 1,756         | 12.3%         | 0          | 0.0%        | 0        | 0.0%        |
| Moderate  | 8   | 9.2%          | 1,307         | 9.2%          | 0          | 0.0%        | 0        | 0.0%        |
| Middle  | 62  | 71.3%         | 10,360        | 72.5%         | 0          | 0.0%        | 0        | 0.0%        |
| Upper   | 11  | 12.6%         | 860           | 6.0%          | 0          | 0.0%        | 0        | 0.0%        |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>87</b>   | <b>100.0%</b> | <b>14,283</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |             |          |             |
| Total \$1 Million or Less                       | 28  | 32.2%         | 5,863         | 41.0%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million                                | 32  | 36.8%         | 6,140         | 43.0%         | 0          | 0.0%        | 0        | 0.0%        |
| Not Known                                       | 27  | 31.0%         | 2,280         | 16.0%         | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>87</b>   | <b>100.0%</b> | <b>14,283</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |             |          |             |
| \$100,000 or less                               | 51  | 58.6%         | 2,998         | 21.0%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 21  | 24.1%         | 3,838         | 26.9%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 15  | 17.2%         | 7,447         | 52.1%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>87</b>   | <b>100.0%</b> | <b>14,283</b> | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |             |          |             |
| \$100,000 or less                               | 11  | 39.3%         | 595           | 10.1%         | 0          | 0.0%        | 0        | 0.0%        |
| \$100,001 - \$250,000                           | 9   | 32.1%         | 1,716         | 29.3%         | 0          | 0.0%        | 0        | 0.0%        |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 8   | 28.6%         | 3,552         | 60.6%         | 0          | 0.0%        | 0        | 0.0%        |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%        | 0        | 0.0%        |
| <b>Total</b>                                    | <b>28</b>   | <b>100.0%</b> | <b>5,863</b>  | <b>100.0%</b> | <b>0</b>   | <b>0.0%</b> | <b>0</b> | <b>0.0%</b> |

**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (WILLIAMSPORT ASSESSMENT AREA)**

| Income Categories                               | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |            |               |
|---|---|---------------|---------------|---------------|------------|---------------|------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)   | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |            |               |
| Low   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Moderate  | 1   | 1.0%          | 117           | 1.0%          | 0          | 0.0%          | 0          | 0.0%          |
| Middle  | 89  | 90.8%         | 10,504        | 91.3%         | 1          | 50.0%         | 40         | 17.8%         |
| Upper   | 8   | 8.2%          | 881           | 7.7%          | 1          | 50.0%         | 185        | 82.2%         |
| Unknown   | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>98</b>   | <b>100.0%</b> | <b>11,502</b> | <b>100.0%</b> | <b>2</b>   | <b>100.0%</b> | <b>225</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |            |               |
| Total \$1 Million or Less                       | 31  | 31.6%         | 2,888         | 25.1%         | 2          | 100.0%        | 225        | 100.0%        |
| Over \$1 Million                                | 29  | 29.6%         | 6,481         | 56.3%         | 0          | 0.0%          | 0          | 0.0%          |
| Not Known                                       | 38  | 38.8%         | 2,133         | 18.5%         | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>98</b>   | <b>100.0%</b> | <b>11,502</b> | <b>100.0%</b> | <b>2</b>   | <b>100.0%</b> | <b>225</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |            |               |
| \$100,000 or less                               | 72  | 73.5%         | 3,093         | 26.9%         | 1          | 50.0%         | 40         | 17.8%         |
| \$100,001 - \$250,000                           | 17  | 17.3%         | 3,290         | 28.6%         | 1          | 50.0%         | 185        | 82.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 9   | 9.2%          | 5,119         | 44.5%         | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus)-\$500k<br>(Farm)         | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>98</b>   | <b>100.0%</b> | <b>11,502</b> | <b>100.0%</b> | <b>2</b>   | <b>100.0%</b> | <b>225</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |            |               |
| \$100,000 or less                               | 22  | 71.0%         | 1,073         | 37.2%         | 1          | 50.0%         | 40         | 17.8%         |
| \$100,001 - \$250,000                           | 8   | 25.8%         | 1,546         | 53.5%         | 1          | 50.0%         | 185        | 82.2%         |
| \$250,001 - \$1 Million (Bus)-<br>\$500k (Farm) | 1   | 3.2%          | 269           | 9.3%          | 0          | 0.0%          | 0          | 0.0%          |
| Over \$1 Million (Bus) -\$500k<br>(Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0          | 0.0%          |
| <b>Total</b>                                    | <b>31</b>   | <b>100.0%</b> | <b>2,888</b>  | <b>100.0%</b> | <b>2</b>   | <b>100.0%</b> | <b>225</b> | <b>100.0%</b> |

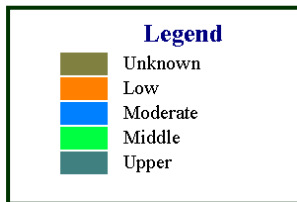
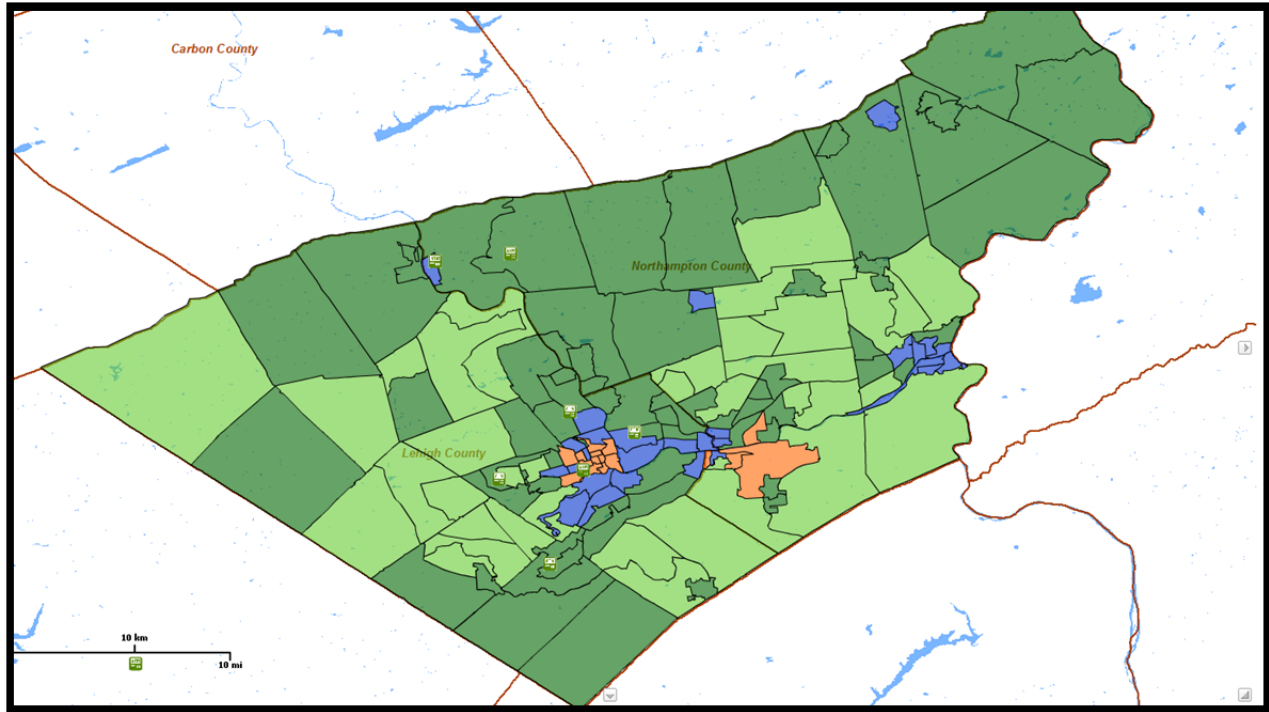
**LARGE RETAIL INSTITUTION PERFORMANCE EVALUATION  
MAY 2013**

**2012 SMALL BUSINESS LOAN DISTRIBUTION TABLE (YORK-HANOVER-GETTYSBURG ASSESSMENT AREA)**

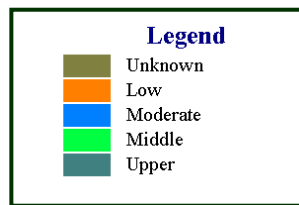
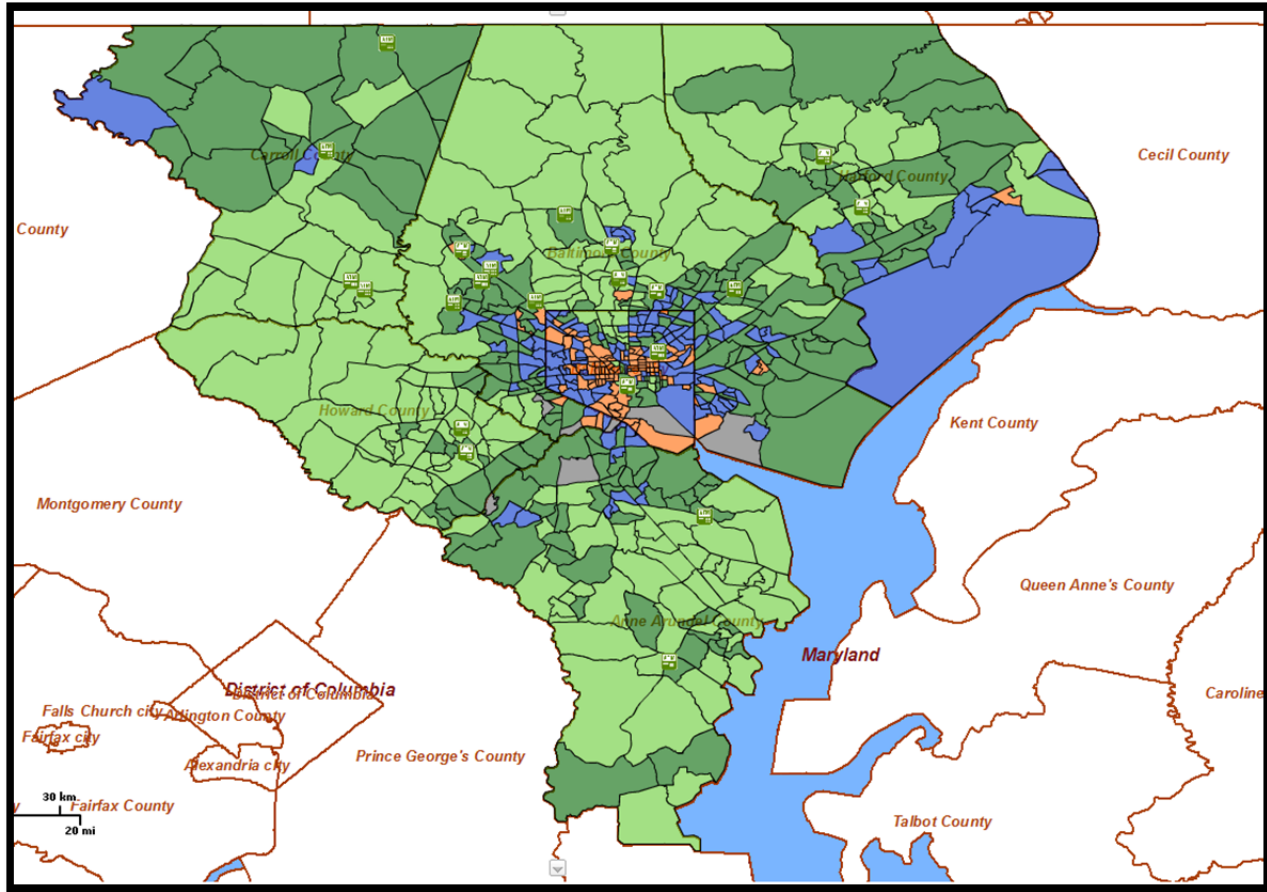
| Income Categories                           | SMALL BUSINESS                                      |               |               |               | SMALL FARM |               |              |               |
|---|---|---------------|---------------|---------------|------------|---------------|--------------|---------------|
|   | #   | %             | \$(000s)      | %             | #          | %             | \$(000s)     | %             |
|   | <b>By Tract Income</b>                              |               |               |               |            |               |              |               |
| Low   | 27  | 11.8%         | 5,002         | 14.9%         | 0          | 0.0%          | 0            | 0.0%          |
| Moderate                                    | 18  | 7.9%          | 1,186         | 3.5%          | 0          | 0.0%          | 0            | 0.0%          |
| Middle                                      | 132   | 57.9%         | 18,215        | 54.3%         | 5          | 62.5%         | 630          | 53.5%         |
| Upper                                       | 51  | 22.4%         | 9,157         | 27.3%         | 3          | 37.5%         | 547          | 46.5%         |
| Unknown                                     | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| Tract Unknown                               | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>228</b>  | <b>100.0%</b> | <b>33,560</b> | <b>100.0%</b> | <b>8</b>   | <b>100.0%</b> | <b>1,177</b> | <b>100.0%</b> |
|   | <b>By Revenue</b>                                   |               |               |               |            |               |              |               |
| Total \$1 Million or Less                   | 71  | 31.1%         | 11,491        | 34.2%         | 8          | 100.0%        | 1,177        | 100.0%        |
| Over \$1 Million                            | 47  | 20.6%         | 14,175        | 42.2%         | 0          | 0.0%          | 0            | 0.0%          |
| Not Known                                   | 110   | 48.2%         | 7,894         | 23.5%         | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>228</b>  | <b>100.0%</b> | <b>33,560</b> | <b>100.0%</b> | <b>8</b>   | <b>100.0%</b> | <b>1,177</b> | <b>100.0%</b> |
|   | <b>By Loan Size</b>                                 |               |               |               |            |               |              |               |
| \$100,000 or less                           | 143   | 62.7%         | 6,838         | 20.4%         | 5          | 62.5%         | 383          | 32.5%         |
| \$100,001 - \$250,000                       | 50  | 21.9%         | 9,081         | 27.1%         | 1          | 12.5%         | 120          | 10.2%         |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 35  | 15.4%         | 17,641        | 52.6%         | 2          | 25.0%         | 674          | 57.3%         |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>228</b>  | <b>100.0%</b> | <b>33,560</b> | <b>100.0%</b> | <b>8</b>   | <b>100.0%</b> | <b>1,177</b> | <b>100.0%</b> |
|   | <b>By Loan Size and Revenue \$1 Million or Less</b> |               |               |               |            |               |              |               |
| \$100,000 or less                           | 40  | 56.3%         | 2,139         | 18.6%         | 5          | 62.5%         | 383          | 32.5%         |
| \$100,001 - \$250,000                       | 17  | 23.9%         | 3,112         | 27.1%         | 1          | 12.5%         | 120          | 10.2%         |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm) | 14  | 19.7%         | 6,240         | 54.3%         | 2          | 25.0%         | 674          | 57.3%         |
| Over \$1 Million (Bus)-\$500k (Farm)        | 0   | 0.0%          | 0             | 0.0%          | 0          | 0.0%          | 0            | 0.0%          |
| <b>Total</b>                                | <b>71</b>   | <b>100.0%</b> | <b>11,491</b> | <b>100.0%</b> | <b>8</b>   | <b>100.0%</b> | <b>1,177</b> | <b>100.0%</b> |

**CRA APPENDIX D: ASSESSMENT AREA MAPS**

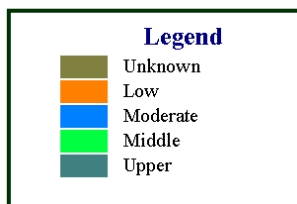
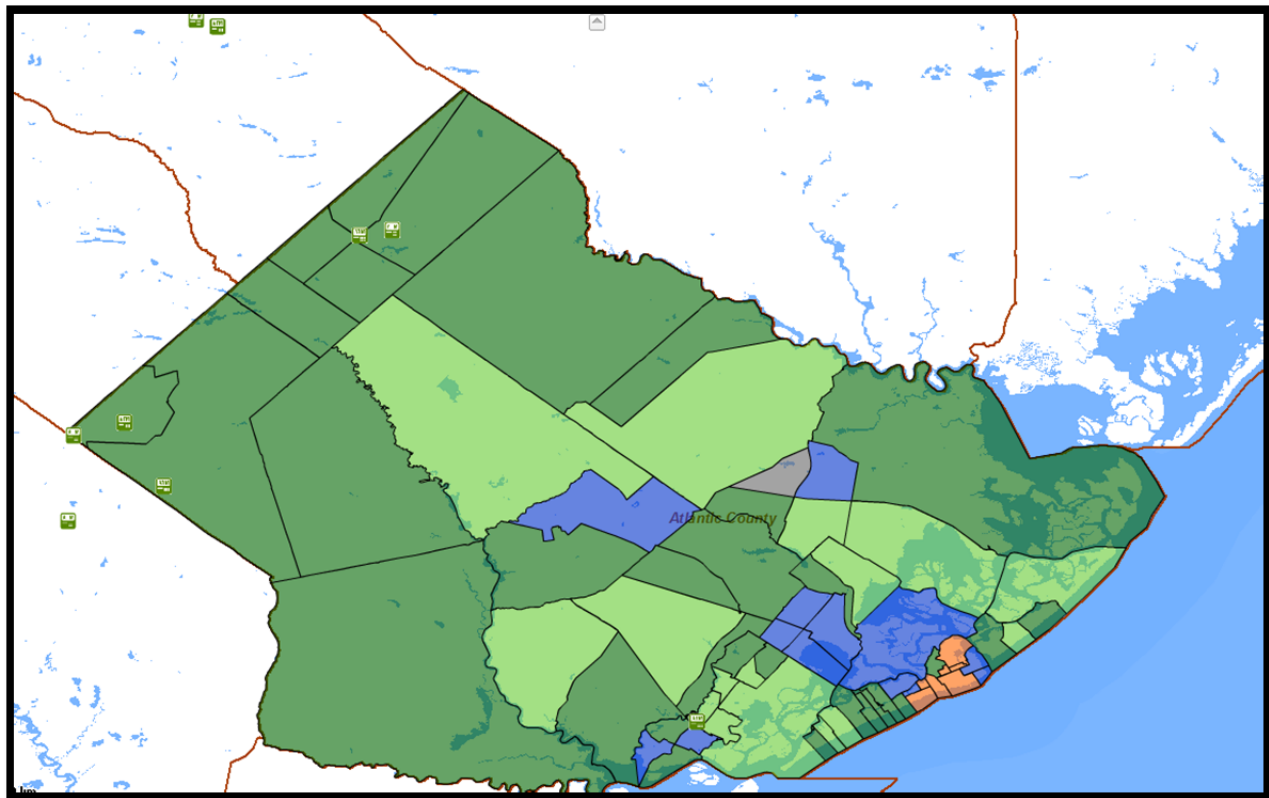
ALLENTOWN ASSESSMENT AREA



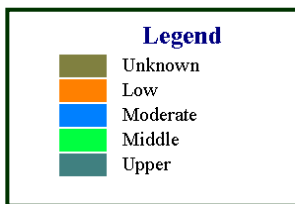
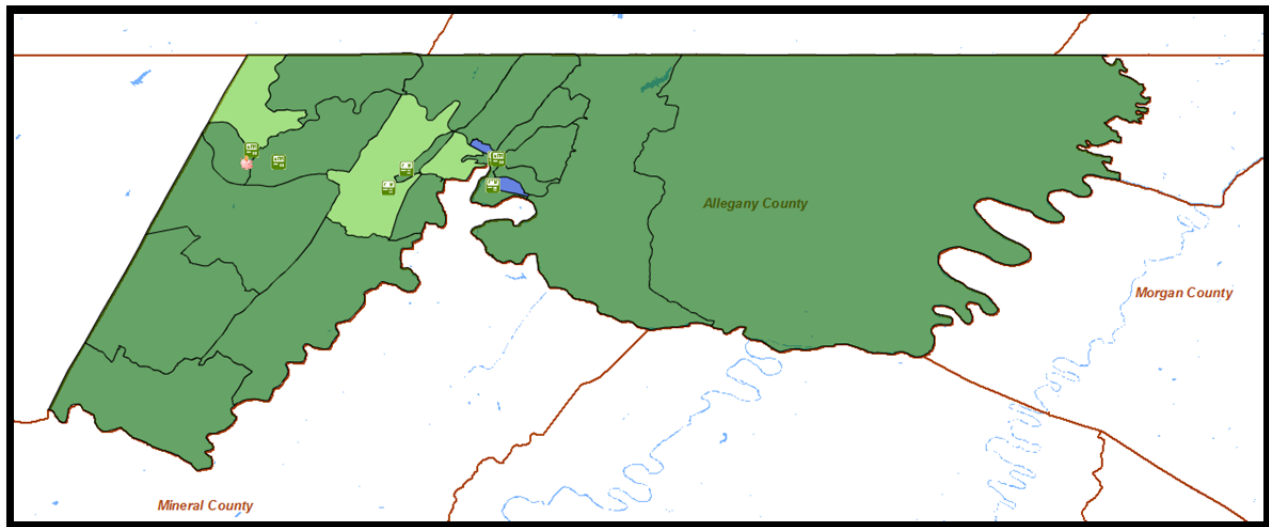
BALTIMORE ASSESSMENT AREA



ATLANTIC CITY ASSESSMENT AREA

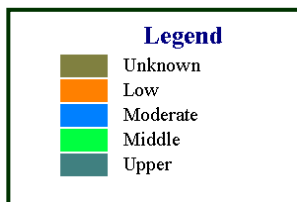
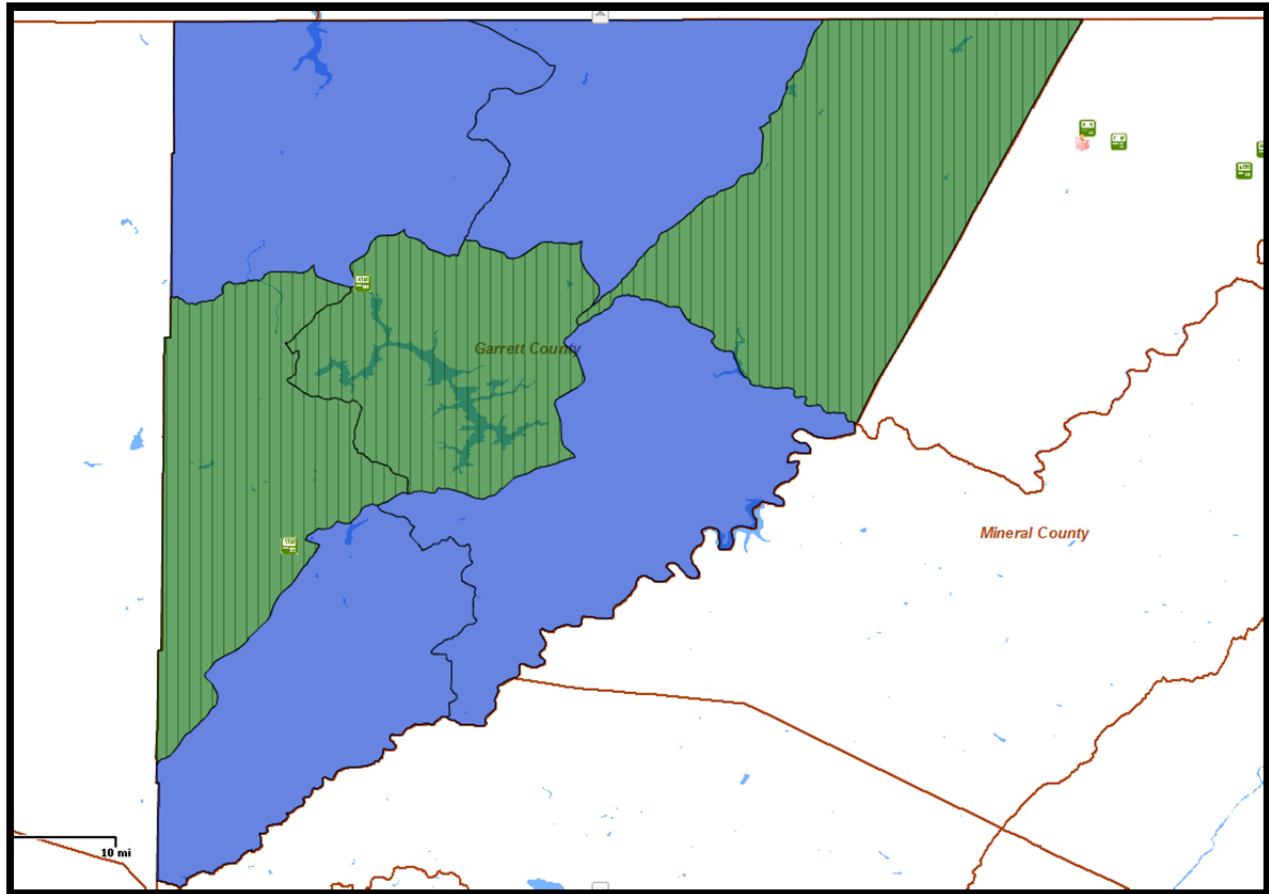


ALLEGANY COUNTY ASSESSMENT AREA

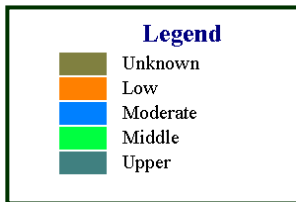
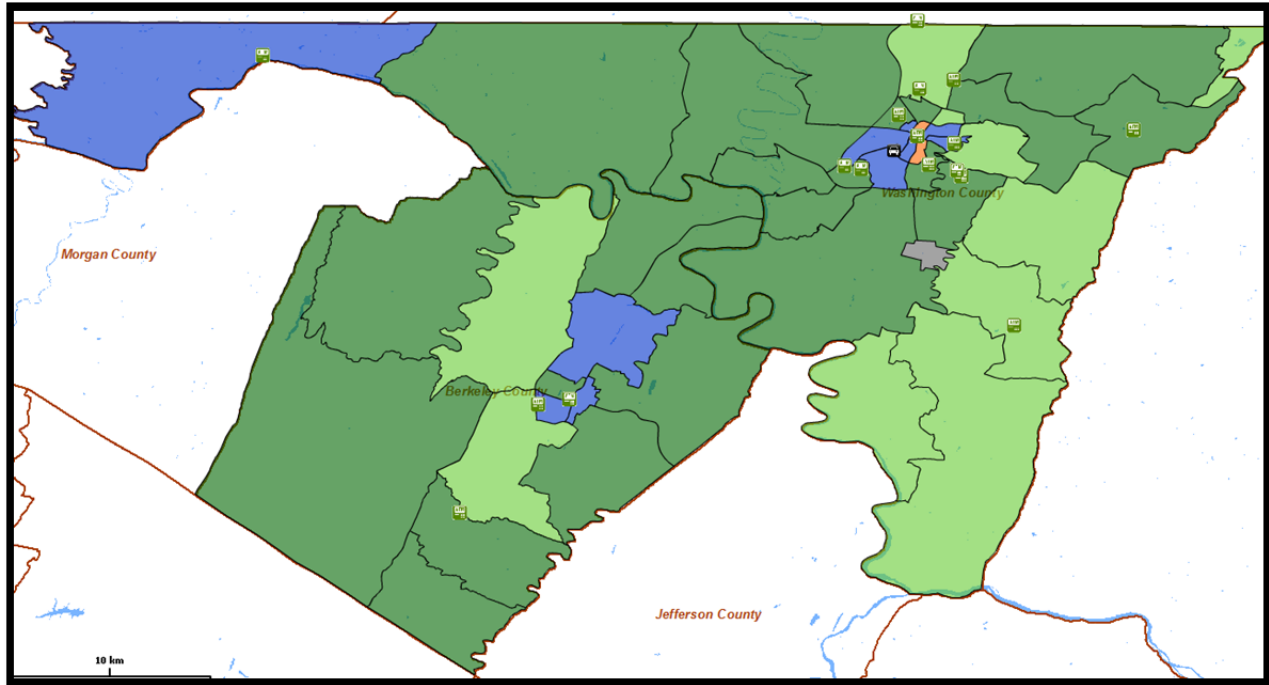




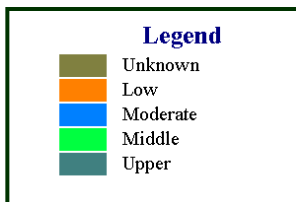
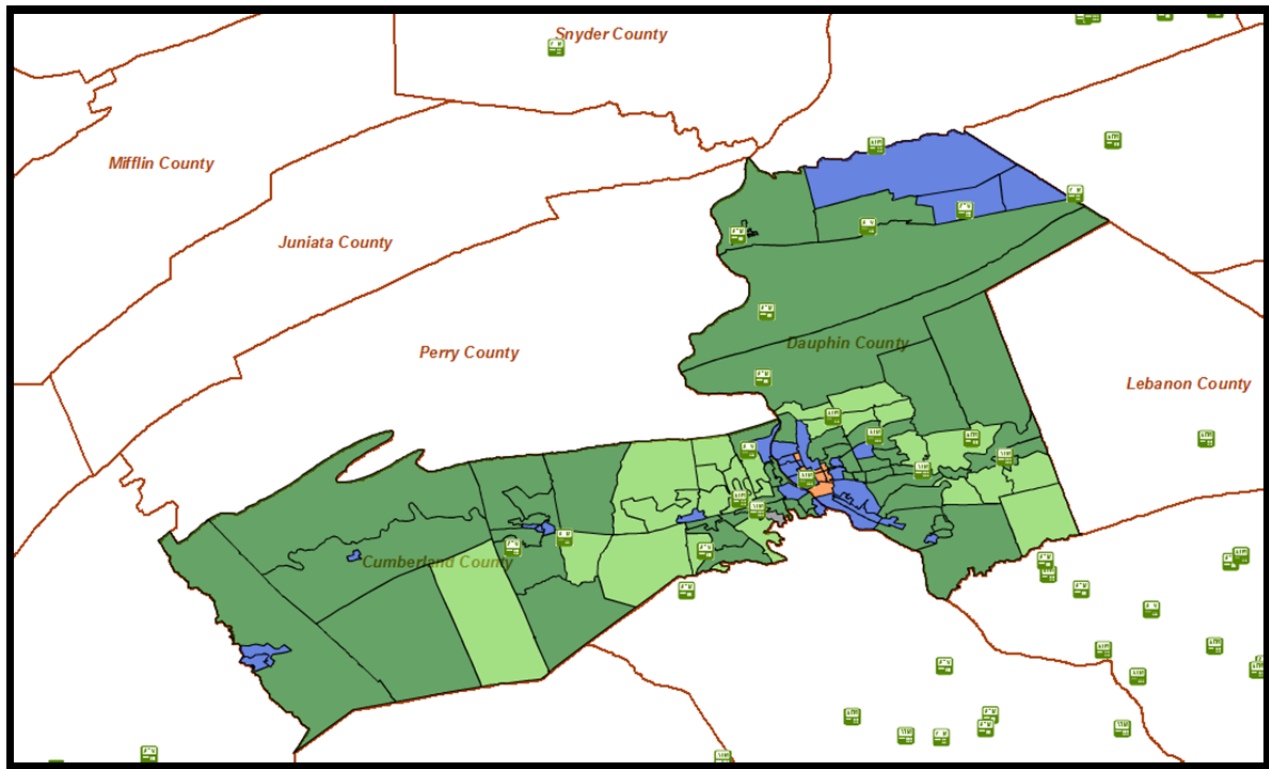
**GARRETT COUNTY ASSESSMENT AREA**



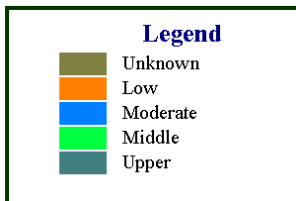
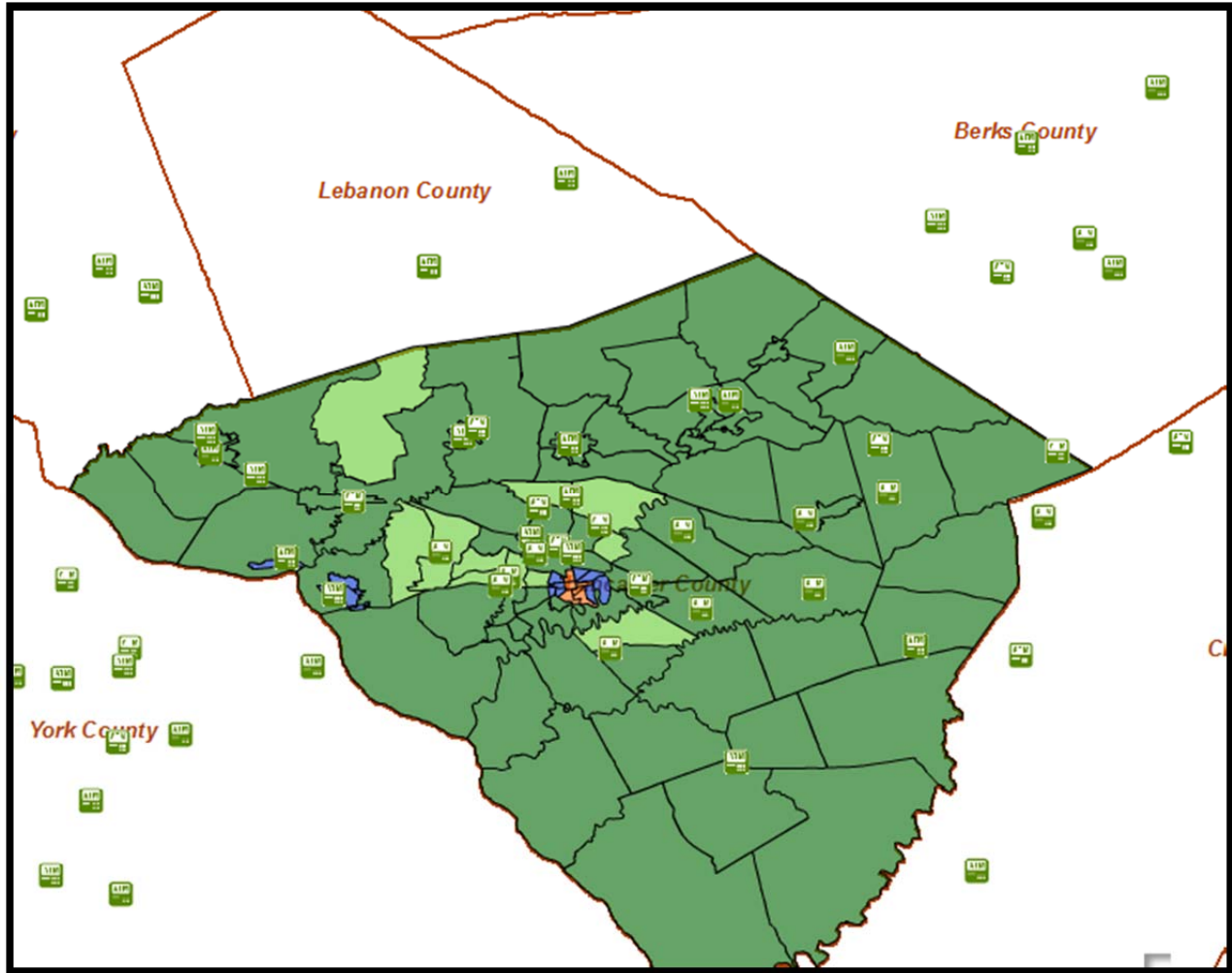
HAGERSTOWN ASSESSMENT AREA



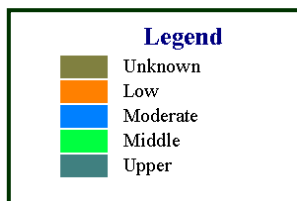
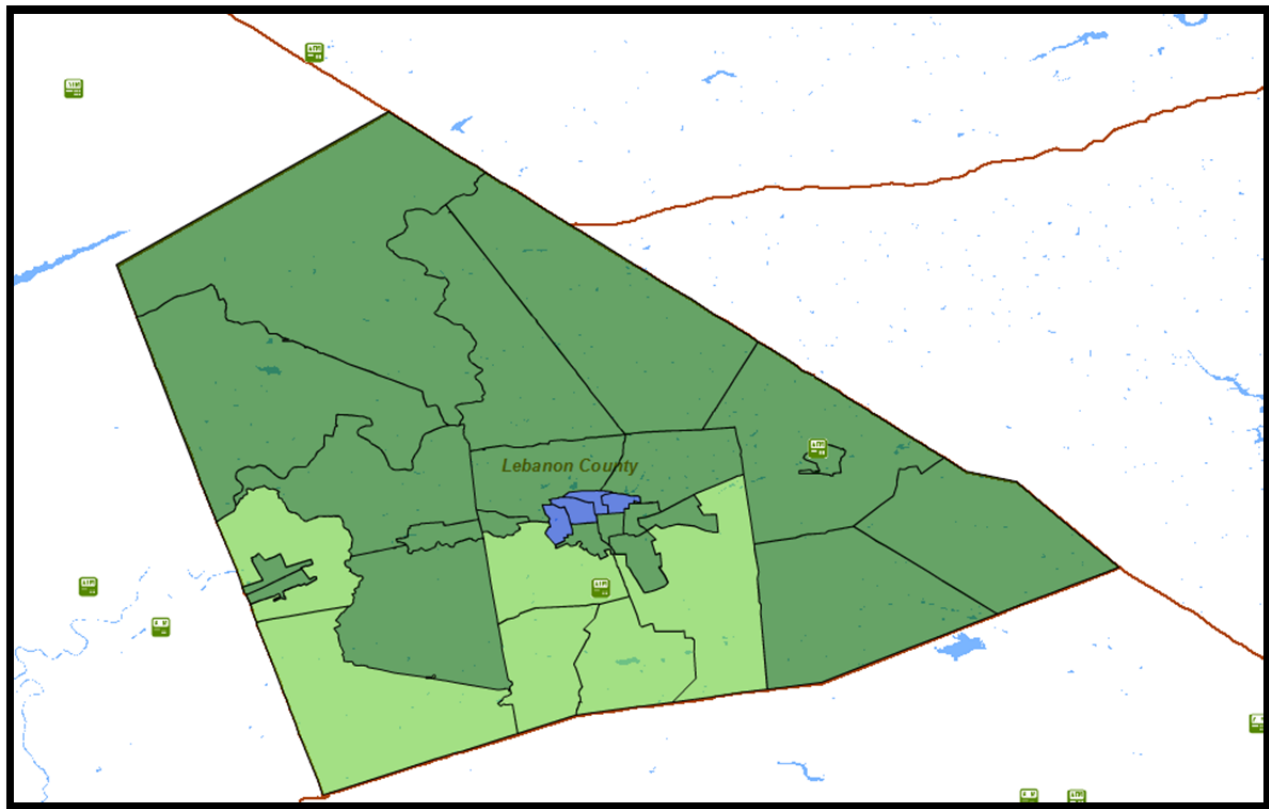
HARRISBURG ASSESSMENT AREA



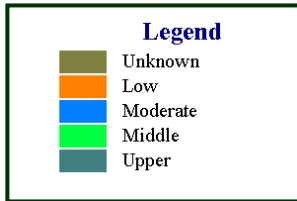
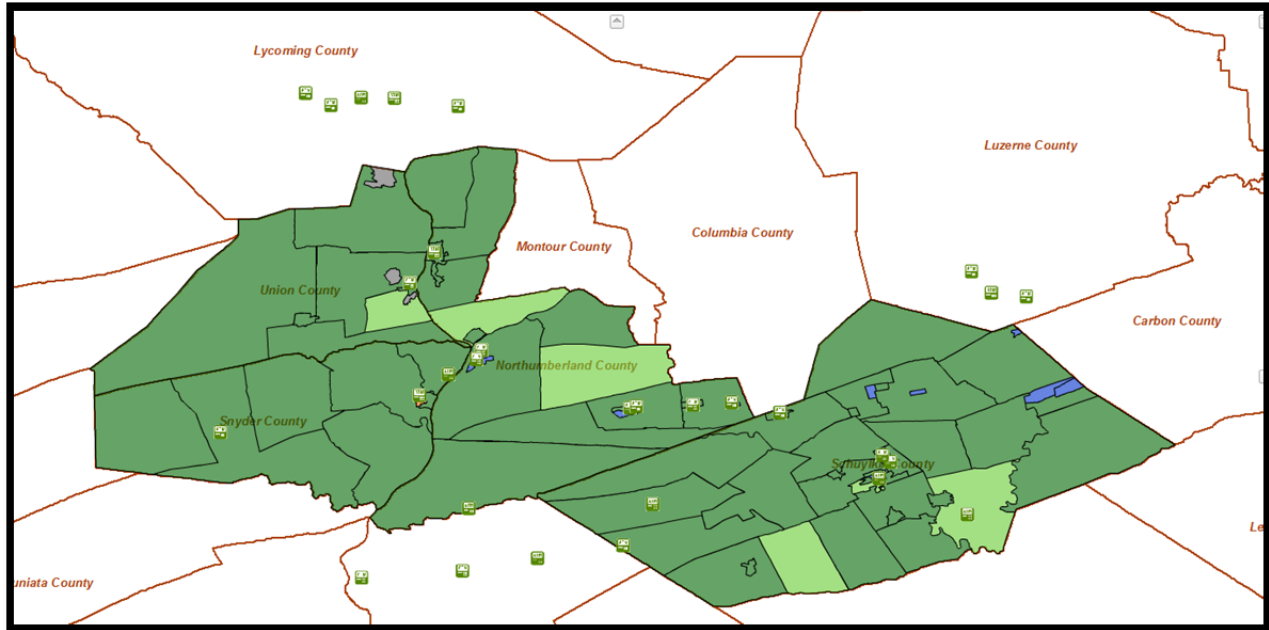
LANCASTER ASSESSMENT AREA



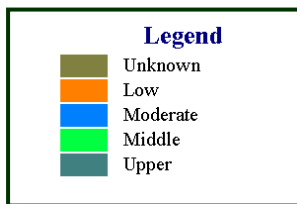
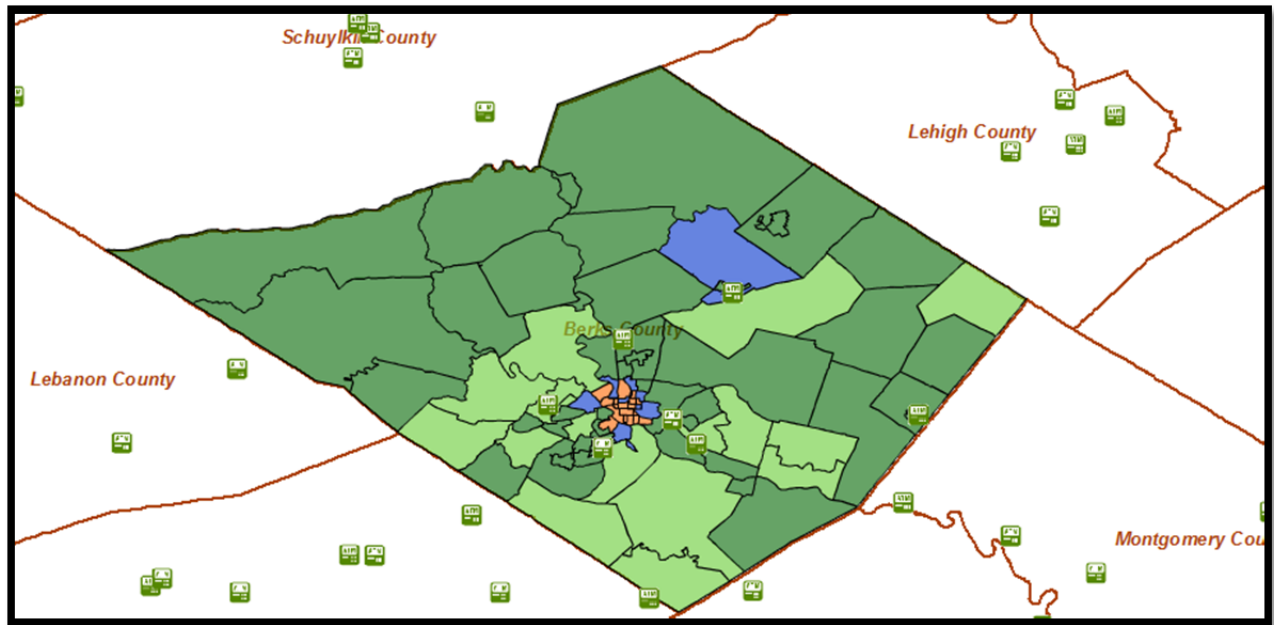
LEBANON ASSESSMENT AREA



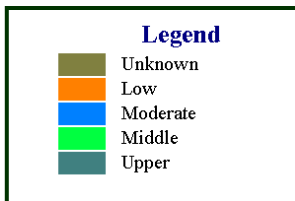
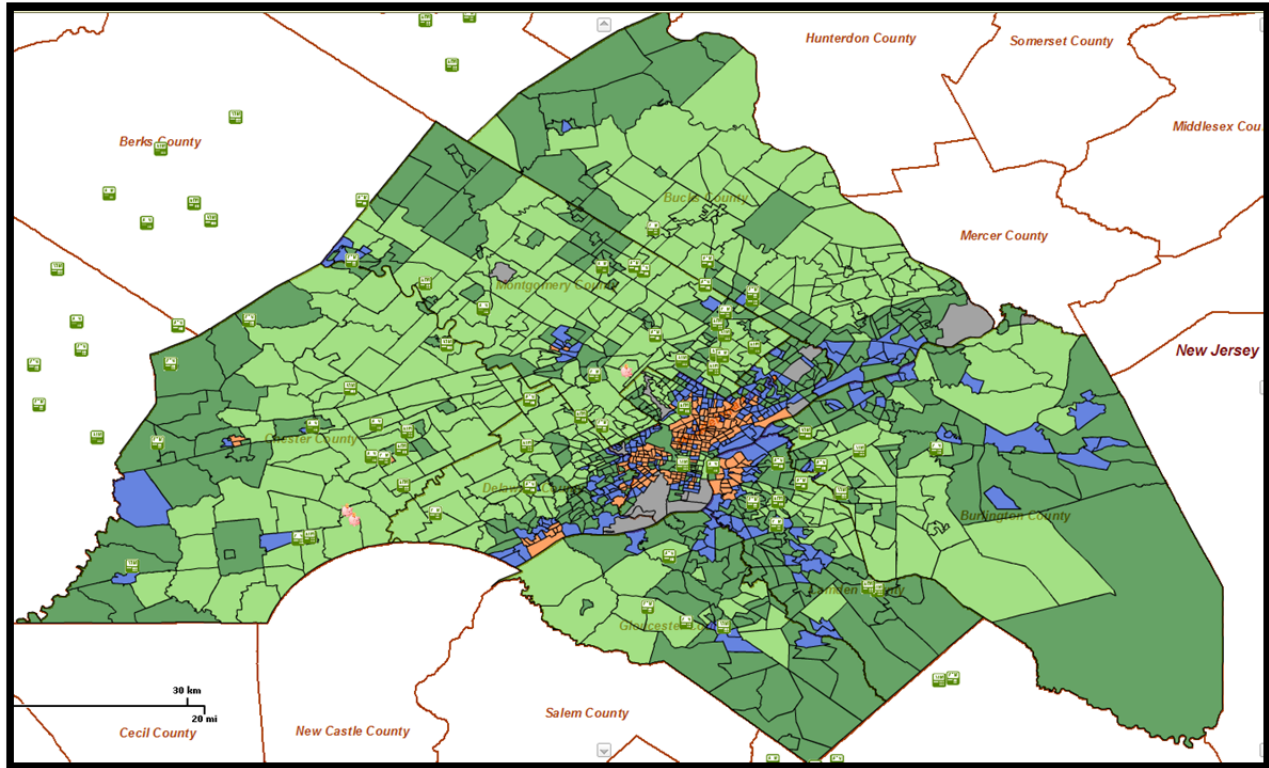
NORTH CENTRAL PENNSYLVANIA ASSESSMENT AREA



READING ASSESSMENT AREA

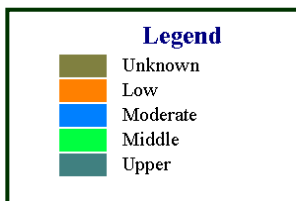
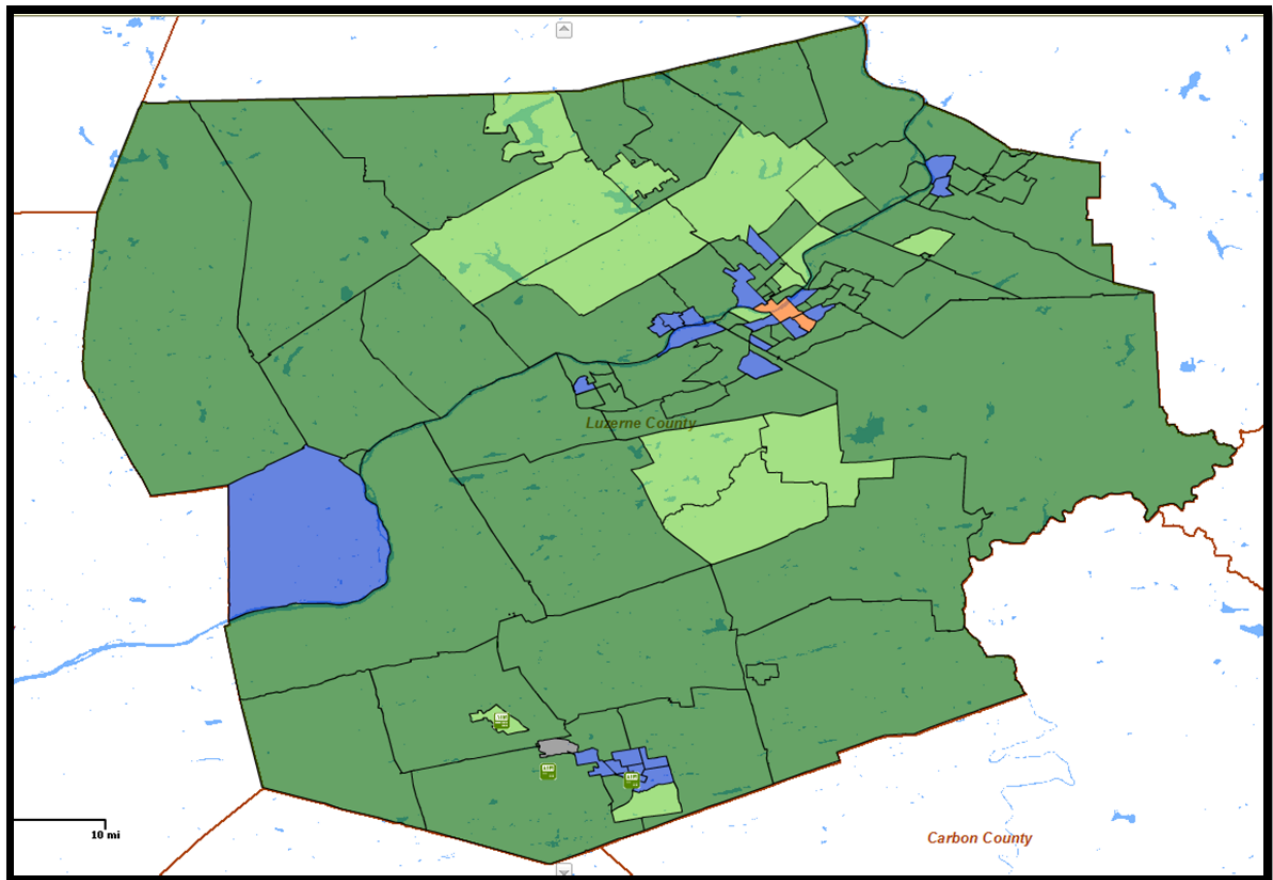


PHILADELPHIA-CAMDEN ASSESSMENT AREA

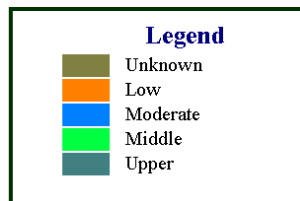
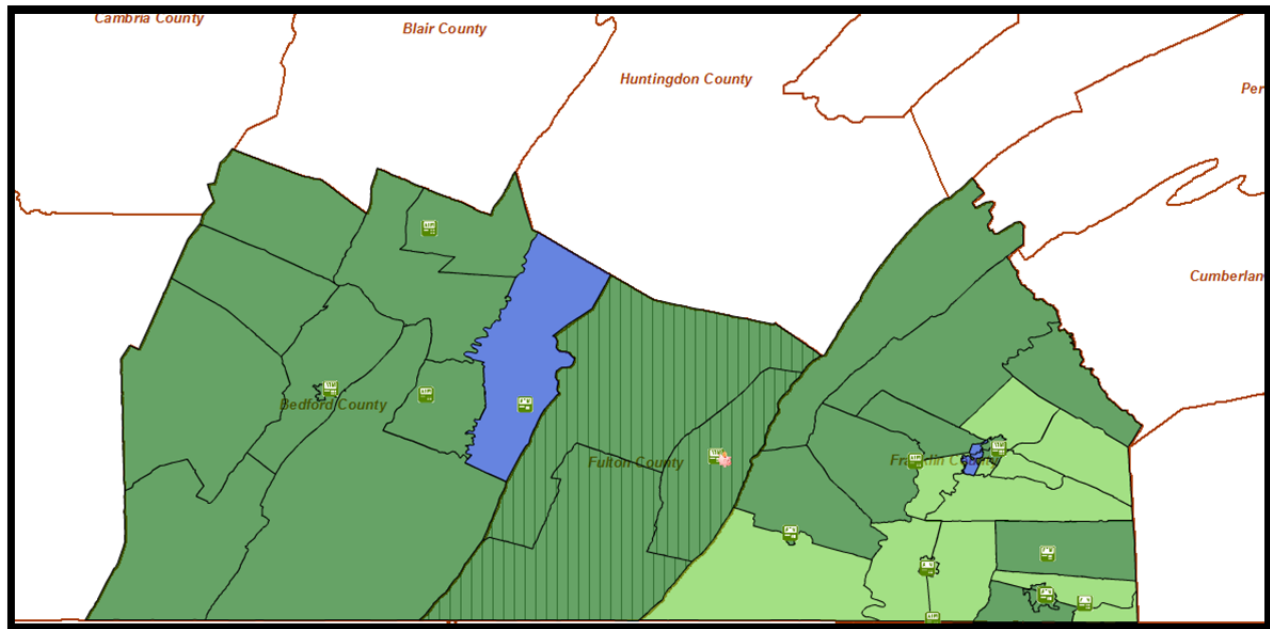




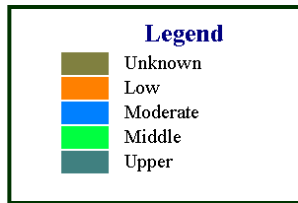
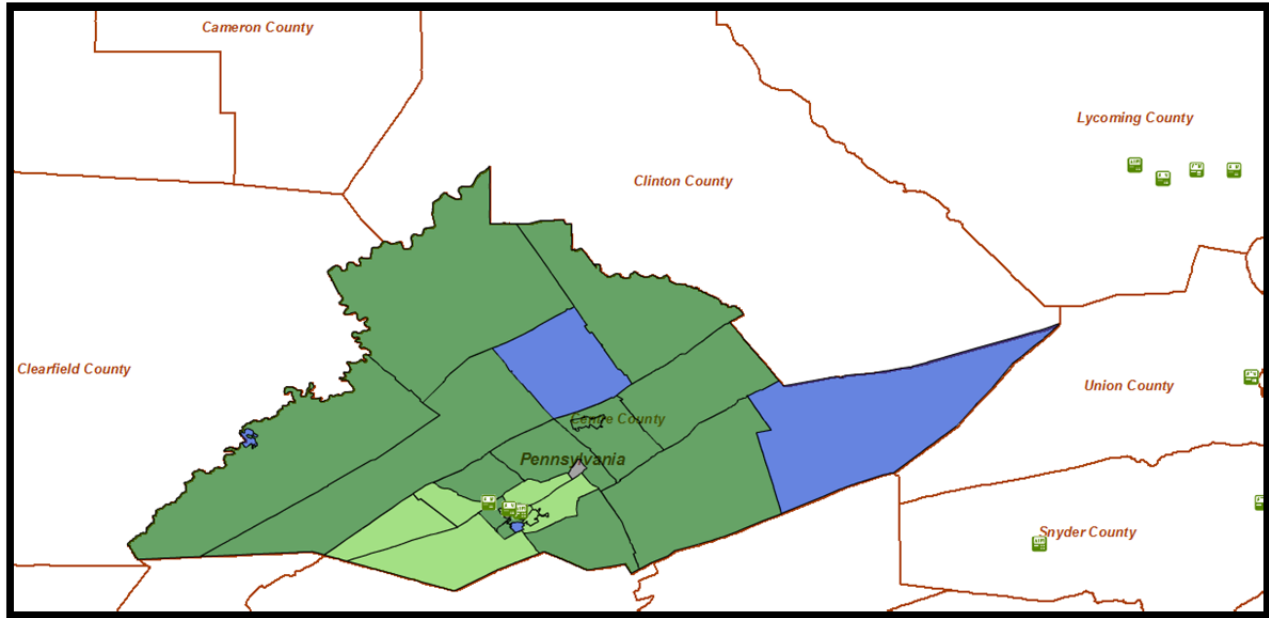
SCRANTON ASSESSMENT AREA



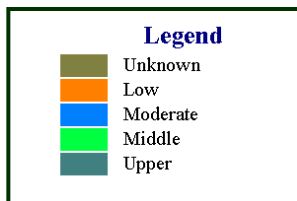
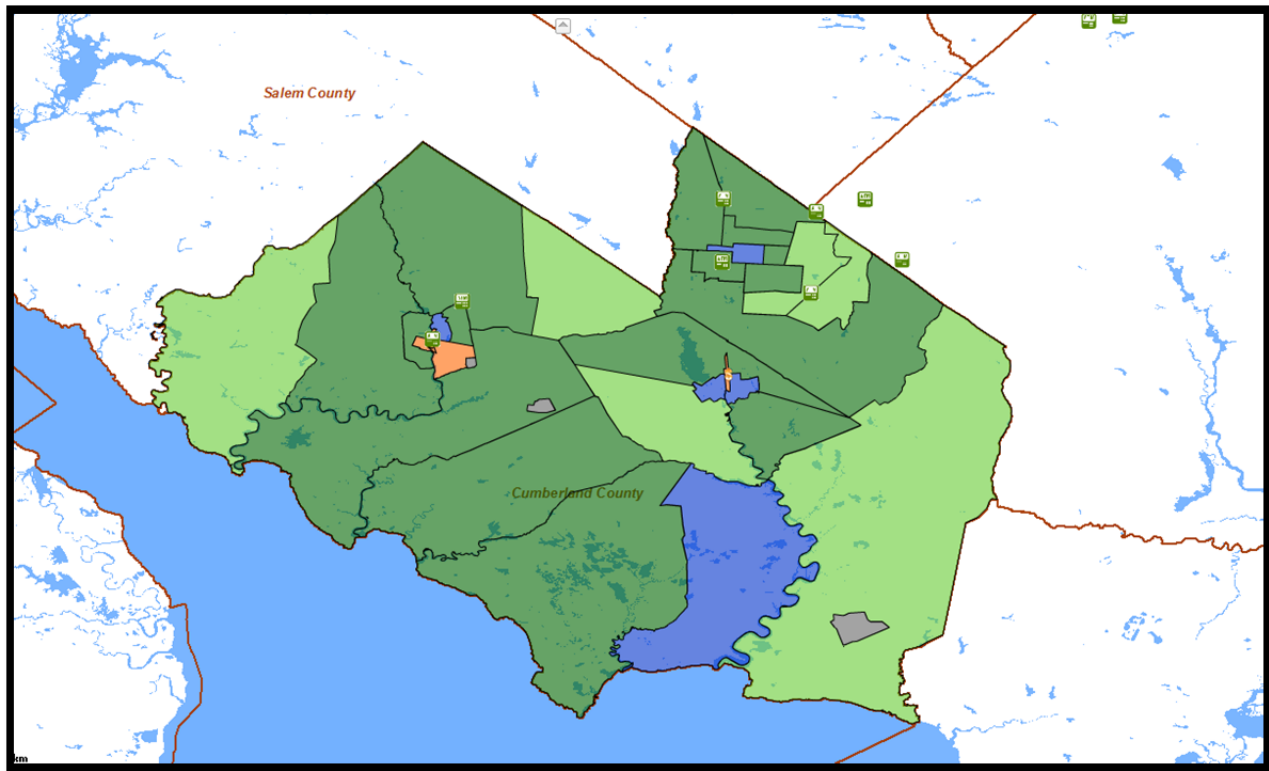
SOUTH CENTRAL PENNSYLVANIA ASSESSMENT AREA



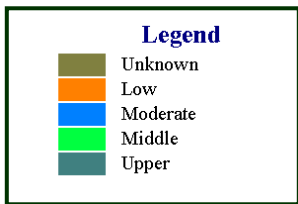
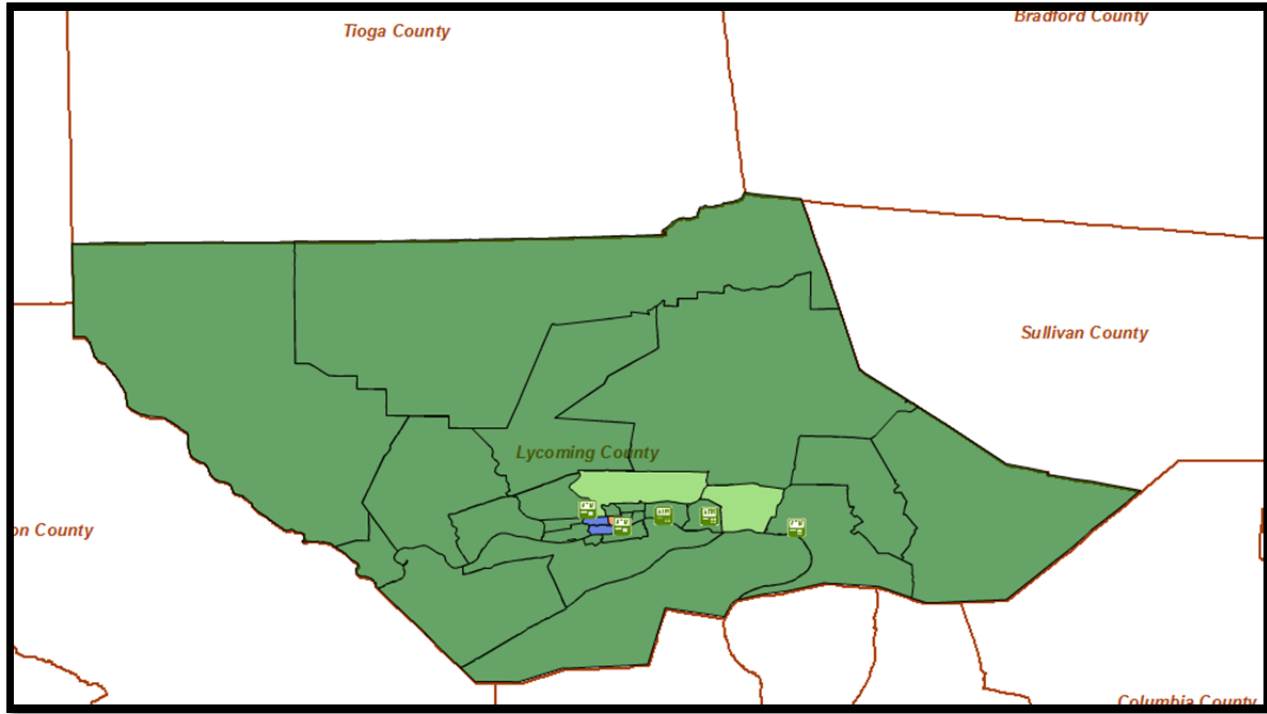
STATE COLLEGE ASSESSMENT AREA



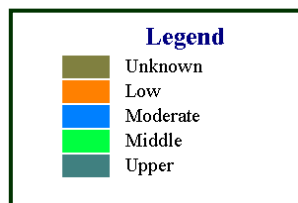
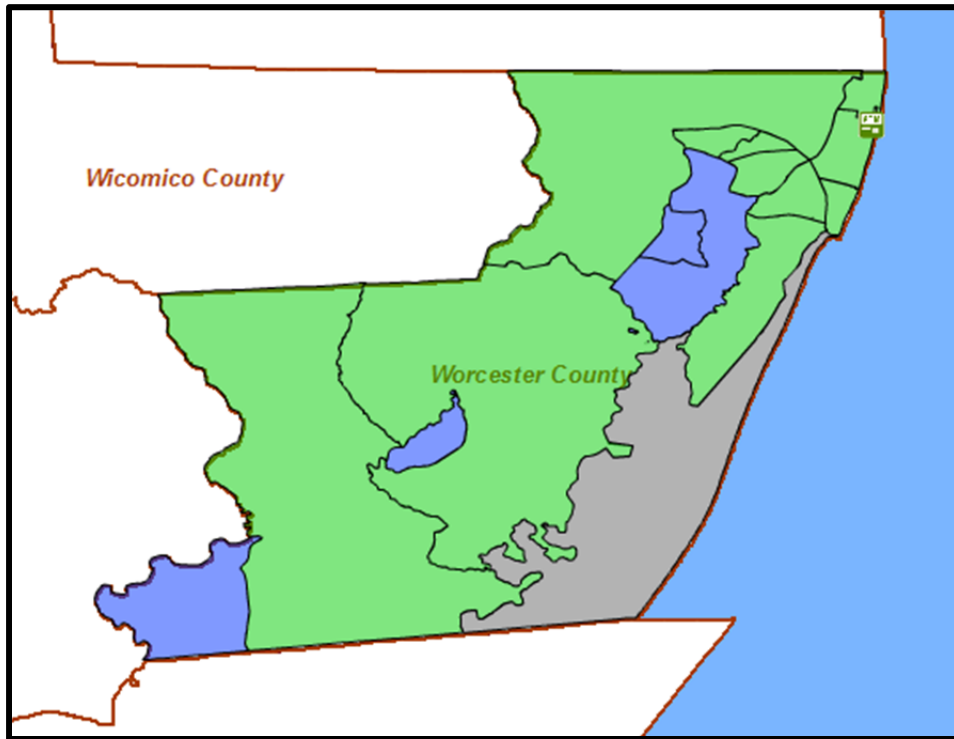
VINELAND ASSESSMENT AREA



WILLIAMSPORT ASSESSMENT AREA



**WORCESTER COUNTY ASSESSMENT AREA**



YORK ASSESSMENT AREA

