



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

March 31, 2003

**Community Reinvestment Act
Performance Evaluation**

**Commerce Bank/Shore, National Association
Charter Number: 21863**

**106 North Main Street
Forked River, NJ 08731**

**Office of the Comptroller of the Currency
Mid-Size Bank Supervision
One Financial Plaza, Suite 2700
440 South LaSalle Street
Chicago, IL 60605-1073**

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

Table of Contents

OVERALL CRA RATING	2
DEFINITIONS AND COMMON ABBREVIATIONS	3
DESCRIPTION OF INSTITUTION	6
SCOPE OF THE EVALUATION	7
FAIR LENDING REVIEW	7
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS	8
LENDING TEST	8
INVESTMENT TEST	13
SERVICE TEST	14
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

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

The following table indicates the performance level of **Commerce Bank/Shore, National Association (CB/Shore)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Commerce Bank/Shore, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- CB/Shore's lending activity in the Assessment Area (AA) is good.
- A substantial majority of CB/Shore's loans were originated in the AA.
- Overall geographic distribution of loans is good.
- Lending to borrowers of different income levels in the AA is good.
- Community development lending had a positive impact on the lending test.
- CB/Shore has a good level of qualified investments in the AA.
- CB/Shore's service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- CB/Shore has provided a good level of community development services in the AA.

Definitions and Common Abbreviations

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

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

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

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing 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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

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

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

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

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

Description of Institution

Commerce Bank/Shore, N.A. (CB/Shore) is an intrastate bank headquartered in Forked River, New Jersey with total assets of \$2 billion and tier one capital of \$122 million as of December 31, 2002. CB/Shore is a wholly owned subsidiary of Commerce Bancorp, Inc., a \$16.4 billion multi-bank holding company headquartered in Cherry Hill, New Jersey.

CB/Shore provides a full range of retail and commercial services throughout Monmouth and Ocean Counties in New Jersey. The bank operates 30 branches throughout its AA. With the exception of one branch, all locations are equipped with an ATM and drive-through facilities. There are no financial, legal or other matters that affect CB/Shore's ability to help meet the credit needs in its assessment area.

In addition to CB/Shore, the Bancorp operates three other national banks and a state chartered bank, Commerce Bank N.A., Commerce Bank/Pennsylvania, Commerce Bank/Delaware, and Commerce Bank North. Management requested that we consider loans made by the national bank affiliates in the Monmouth/Ocean AA for the CB/Shore Lending Test. These loans were not included the Lending Test of the affiliate banks.

Other subsidiaries of CB/Shore include: Shore Asset Management, which purchases, holds, and sells investments of the bank, and First Bankers Corporation, which holds Other Real Estate Owned property. Neither of these subsidiaries has an impact on the bank's capacity for community reinvestment.

As of December 31, 2002, CB/Shore had net loans of \$715 million and investments of \$1.2 billion. The loan mix is represented by 37% residential mortgages (including multifamily), 37% commercial mortgages, 12% commercial loans, 5% consumer loans, 8% construction/development loans, and 1% other loans. The bank has a low loan-to-deposit ratio, largely due to the continued rapid expansion of its branch network and core deposits coupled with mortgage loan sales in the secondary market. Continued rapid growth, through branch expansion, is part of the overall corporate plan.

CB/Shore was rated "Satisfactory" at the prior CRA examination, dated February 28, 2000.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for all HMDA related loan products and small loans to businesses is January 1, 2000 to December 31, 2002. The evaluation for community development loans, investments, and services was from January 1, 2000 to March 31, 2003.

CB/Shore originated one farm loan and did not originate a substantial number of multi-family home loans in its AA and therefore these loans were not analyzed. Farm and multi-family lending are not primary business lines of the bank.

Data Integrity

We conducted data integrity reviews in 2001 and 2002. During these reviews, we analyzed a sample of small business and home mortgage loans to ensure that the data on which we relied for our evaluation of the bank's performance under the Community Reinvestment Act was accurate. We compared information in publicly filed data to information in the bank's loan files to determine accuracy. We also evaluated the processes that the bank employs to help ensure the accuracy of this data. This review revealed that the publicly available information was accurate and reliable. A sample of community development loans, investments and services were reviewed to determine that they qualified under the regulatory criteria for community development. We made some minor adjustments to this data and included only those items that met the definition of community development.

Selection of Areas for Full-Scope Review

A full scope review was conducted of CB/Shore's one assessment area, which consists of the Monmouth/Ocean MA #5190 in its entirety. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on the bank's performance in the full scope AA.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in New Jersey is rated "Satisfactory". Based on the full-scope review, the bank's performance in the Monmouth/Ocean AA is good.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

CB/Shore's lending activity is good based on a comparison of deposit share versus loan share that is discussed below. Approximately 77% of the bank's loans originated during the evaluation period were home mortgage loans, with small loans to businesses accounting for 23%. Among home mortgage loan originations, approximately 32% were for home purchase, 30% were for home improvement, and 38% were for home mortgage refinance.

CB/Shore is a fast growing institution. Deposit growth exceeded loan growth in 2000 and 2001 as management can better predict and manage deposit growth. Total deposit growth in 2002 and 2001 was 29% and 34%, respectively. For the same years, net loan and lease growth was 23% and 22%, respectively. CB/Shore's loan growth exceeded its peer loan growth showing that the bank is a very active lender. Peer growth loan rates for 2002 and 2001 were 11% and 10%, respectively.

Based on the June 30, 2002 FDIC Summary of Deposits, CB/Shore ranked 4th in deposit market share with 8% of the deposits. CB/Shore ranked 6th with a 3% market share in overall home mortgage lending based on 2001 HMDA aggregate data. Lenders ahead of CB/Shore include two large regional banks and three national mortgage lenders. These five institutions have a combined market share of 28% ranging from 4% to 7%, individually.

In home purchase lending, CB/Shore ranked 11th with a 2% market share based on this same aggregate data. The top five lenders had a combined market share of 30%, ranging from a low of 3% to a high of 9%. Competition is strong with 409 reporting lenders in the AA.

In home improvement lending, CB/Shore ranked 1st with a 14% market share. There are 136 reporting lenders. The five financial institutions ranking behind CB/Shore are predominately regional banks that are strong local competitors. These competing banks have individual market shares ranging from 6% to 13%.

In home refinance lending, CB/Shore ranked 11th with a 2% market share. Again, competition is strong with 426 reporting lenders. Several of the nationwide lenders active in home purchase lending are also active in this product. The top five lenders had a combined market share of 33%, with individual market share ranging from 5% to 8%.

Based on 2001 CRA aggregate data on small loans to businesses, CB/Shore ranked 10th with a market share of 2%. The top five lenders are nationwide credit card issuers and dominate with a combined market share of 62%. Four regional banks hold an additional 16% market share. The individual market shares range from 3% to 7%. There are 105 reporting lenders in the AA.

Distribution of Loans by Income Level of the Geography

Overall geographic distribution of loans is good. This is based on adequate distribution of home mortgage lending and excellent distribution of small loans to businesses.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of mortgage loans is adequate, given the demographics and competition in the AA. Within the bank's AA, only 1% of owner-occupied housing units are located in low-income geographies. As noted earlier, competition is strong with over 400 lenders in home purchase and home refinance lending.

CB/Shore's geographic distribution of home purchase loans is adequate. The percentage of lending in both low- and moderate-income geographies is below the percentage of owner-occupied housing in those geographies. The bank's market share in moderate-income geographies substantially meets its overall market share. In low-income geographies, the bank's market share is well below its overall market share.

CB/Shore's geographic distribution of home improvement loans is excellent. The percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in those geographies. The percentage of lending in low-income geographies is near to the percentage of owner-occupied housing. CB/Shore's market share in low- and moderate-income geographies significantly exceeds its overall market share.

CB/Shore's geographic distribution of home refinance loans is adequate. The percentage of lending in low- and moderate-income geographies is below the percentage of owner-occupied housing in those geographies. The bank's market share in low-income geographies is well below the percentage of owner-occupied housing. The bank's market share in moderate-income geographies substantially meets its overall market share.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is excellent. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses that are located in those geographies. The percentage of small loans to businesses in low-income geographies is near to the percentage of businesses that are located in these geographies. The bank's market share in both low- and moderate-income geographies exceeds its overall market share.

Lending Gap Analysis

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

Inside/Outside Ratio

A substantial majority of the home mortgage loans and small loans to businesses originated by CB/Shore over the evaluation period were within the AA.

During the evaluation period, CB/Shore originated a significant majority (93%) of its loans in the AA. CB/Shore originated 98% of its HMDA loans and 87% of its small loans to businesses in the AA. This portion of the evaluation was performed at the bank level. The analysis included all reportable loans originated by CB/Shore only and does not include extensions of credit by affiliates.

Distribution of Loans by Income Level of the Borrower

Overall distribution of loans by income level is good.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Overall borrower distribution of home mortgage loans is good, given the demographics and high cost of housing in the AA. Over the last several years, the median home price has increased more than 20% annually, while the level of home construction has slowed from the rapid pace set in the late 1990s. Although the 1990 census indicates that the median housing cost is \$164,000, recent economic data indicates that the cost has risen to \$262,000 making homeownership difficult for most low- and moderate-income borrowers. A low-income person earns less than \$32,800 and a moderate-income person earns up to \$52,480 based on 2002 HUD adjusted median family incomes.

CB/Shore's distribution of home purchase loans is good. The percentage of lending to moderate-income borrowers is near the percentage of moderate-income families in the AA. The percentage of home purchase loans made to low-income borrowers in the AA is well below the percentage of low-income families in the AA. The bank's market share in both low- and moderate-income geographies substantially meets its overall market share.

CB/Shore's distribution of home improvement lending is excellent. The percentage lending to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share to moderate-income borrowers exceeds its overall market share. The percentage of the bank's lending to low-income borrowers is below the percentage of low-income families in the AA. However, the bank's market share to low-income borrowers significantly exceeds its overall market share.

CB/Shore's distribution of home refinance lending is good. The percentage of lending to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The percentage of lending to low-income borrowers is well below the percentage of low-income families in the AA. The bank's market share to both low- and moderate-income borrowers exceeds its overall market share.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

CB/Shore's distribution of small loans to businesses based on business size is adequate. Although the percentage of CB/Shore's small loans to small businesses (businesses with revenues of \$1 million or less) is below the percentage of small businesses in the AA, a majority (62%) of the bank's small loans to businesses regardless of revenue size were for \$100 thousand or less. And 19% were between \$100,000 and \$250,000. The bank's market share for small loans made to small businesses exceeds the bank's overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however there are two multi-family homes that qualify as CD loans.

CD lending had a positive impact on the overall lending rating.

During the evaluation period, the bank originated eight loans totaling more than \$7 million. The most significant of these loans include:

- \$4.5 million for construction/permanent financing of a medical rehabilitation facility, which provides treatment to no- and low-income senior women.
- \$1.1 million for construction/permanent financing of a new medical office building. The building will be leased to a medical center to provide outpatient medical services for low- and moderate-income persons.
- \$910 thousand for permanent financing of a 24-unit apartment complex. The units will provide affordable housing for low-income residents of Ocean City.
- \$160 thousand for financing a five-unit housing project that benefits no- and low-income persons. The units are rented to disabled persons on the New Jersey State Permanent Assistance Program.

Additionally, there were 18 loans totaling \$3.3 million included in our evaluation of Home Mortgage loans and Small Loans to Businesses that have a community development purpose.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusion for the assessment area.

CB/Shore offers a First Step Mortgage Program to first time low- and moderate-income homebuyers. The program is a below market, 30 year fixed rate loan featuring no points, no private mortgage insurance (PMI) for low-income applicants, 97% loan to value, and flexible underwriting criteria. During the evaluation period, the bank made revisions to the product including property eligibility and eliminating PMI for low- and moderate-income borrowers purchasing in low- and moderate-income geographies. CB/Shore originated 79 loans totaling \$8.5 million under this product during the evaluation period.

CB/Shore also offers a fixed rate Helping Hand home improvement loan to low- and moderate-income homeowners. The product is available as a secured or unsecured loan, with a term of one to fifteen years. The secured loan allows for a 100% loan to value ratio. Origination numbers were not available for review.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Investment opportunities are ample, but are often state wide or regional, and therefore not necessarily confined to the bank's AA. There is strong competition for the CRA investments and CB/Shore is active in seeking opportunities to invest. The bank's performance under the investment test is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Monmouth/Ocean AA is good.

Refer to Table 14 of Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, CB/Shore made 11 investments and grants totaling nearly \$5.3 million. Additionally, there are three prior period investments with a book value of \$2.7 million still outstanding that have a continuing benefit to the AA. None of the investments are considered complex or innovative. The following are examples of the major investments made during the evaluation period:

- \$2 million in a bond issued to support the development of affordable housing within the AA.
- \$2.2 million in a mortgage pool where the underlying mortgages were all made to LMI borrowers within the bank's assessment area.
- \$1 million commitment to a housing opportunity fund. The fund's goal is to provide a market for the sale of tax credits for smaller, community-based non-profit developers of affordable rental housing for low- to moderate-income residents. To date, \$400 thousand has been funded.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Monmouth/Ocean AA is good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are accessible to geographies and individuals of different income levels within its AA. CB/Shore operates 30 branches in the AA. During the evaluation period, the bank opened six branches in middle- or upper-income geographies. There were no branch closings. The percentage of branches in moderate-income geographies is slightly below the demographics of the population residing in those geographies. There are no branches in low-income geographies.

CB/Shore offers extended lobby and drive-in hours, including Saturday and Sunday, which enhances the accessibility of the branches. The bank offers 78 hours of retail banking per week at all of its offices.

The bank has on-line banking services as well as Bank-by-Phone. However, the bank could not provide data to support how well these systems reach low- and moderate-income individuals. Therefore, these activities are given little weight in our overall analysis.

Community Development Services

CB/Shore provides an excellent level of community development services. Bank officers and staff have provided financial and technical expertise to various community services and development organizations through board and/or administrative and advisory positions. Beneficiaries include economic revitalization initiatives, affordable housing, small business developments and day care/after school programs. The following is a listing of the bank's involvement in community development services.

Affordable Housing

- Brick Township Office of Affordable Housing – The local government established an office to promote an affordable housing program for low- and moderate-income families. CB/Shore assists this program by providing its First Step Affordable Mortgage for homebuyers. The bank provides homeownership counseling under this program and provides loan officers to take loan applications.
- OCEAN, INC. and County of Ocean Consortium First Time Homebuyer Program – Commerce Bank residential mortgage personnel provide homebuyer counseling services, including assistance with the county's down-payment and closing costs assistance program, to low- and moderate-income first time homebuyers.

Residential mortgage personnel directly assist homebuyers to qualify for mortgage financing in these two programs.

- Monmouth Housing Alliance – This organization is a non-profit affordable housing developer for low- and moderate-income families. A Commerce Bank business development officer provides his technical knowledge to assist the association in obtaining affordable housing grants.
- Federal Home Loan Bank of New York/Affordable Housing Awards (FHLBNY) - CB/Shore sponsored two successful affordable housing grant applications through the FHLBNY. These grants support the development of affordable housing within the bank's AA.

Small Business Development

- Ocean County Commercial Fishing Program – A lending officer of the bank serves on the Advisory Committee for this agency. This program is a joint lending function with Ocean County and provides below-market interest rates for small businesses to update and expand their commercial fishing operations, remain competitive and economically viable.
- Lakewood Urban Enterprise Zone (UEZ) – An officer of the bank serves on the credit committee of the UEZ, which provides financial assistance to small businesses in the local community.

Revitalization and Stabilization of LMI Geographies

- Monmouth Ocean Development Council – This is a community-based organization of professional, business and civic leaders who promote economic development, community involvement and education in the Monmouth/Ocean County region. An officer of the bank serves on the Economic Development Committee and provides expertise in specialized loan programs for small businesses.
- Dover Township Economic Development Authority – A business development officer of the bank serves on the Authority's board of directors. The Authority was established to revitalize the Toms River downtown area and also to expand the industrial park on Route 37, bringing additional jobs and non-residential rateables to the township.

Additionally, the bank conducted four small business lending and first time homebuyer seminars during the evaluation period. The seminars are targeted to small businesses and low and moderate-income individuals. Topics covered include budgeting, the loan process, the responsibilities of home ownership and benefits of starting and owning a business.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/2000 to 12/31/2002 Investment, Service Tests and CD Loans: 01/01/2000 to 03/31/2003	
Financial Institution	Products Reviewed	
Commerce Bank/Shore, N.A. (CB/Shore) Forked River, New Jersey	Home purchase, home improvements and home refinance loans. Small business and community development loans.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Commerce Bank, N.A.	Affiliate	All HMDA reportable loans and Small Business loans
Commerce Bank/Pennsylvania N.A.	Affiliate	All HMDA reportable loans and Small Business loans
Commerce Bank/Delaware N.A.	Affiliate	All HMDA reportable loans and Small Business loans
Shore Asset Management	Subsidiary	Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Monmouth and Ocean MA 5190	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Table of Contents

Market Profiles for Areas Receiving Full-Scope Reviews

Monmouth/Ocean AA.....	B-2
------------------------	-----

Monmouth/Ocean AA

Demographic Information for Full-Scope Area: Monmouth/Ocean AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	234	4%	19%	44%	30%	3%
Population by Geography	986,327	2%	21%	47%	30%	(**)
Owner-Occupied Housing by Geography	282,989	1%	23%	46%	30%	0.00%
Businesses by Geography	58,941	1%	16%	48%	35%	(**)
Farms by Geography	1,658	(**)	12%	48%	40%	0.00%
Family Distribution by Income Level	268,329	18%	19%	25%	38%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	99,724	4%	36%	46%	14%	0.00%
Median Family Income = \$46,616 HUD Adjusted Median Family Income for 2002 = \$65,600 Households Below the Poverty Level = 5.88%						Median Housing Value (National Association of Realtors, 4 th Quarter 2002) = \$261,700 Unemployment Rate (March 2003) =5.8%

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

(**) Less than 1%

Source: 1990 U.S. Census, and 2002 HUD updated MFI, and Bureau of Labor Statistics.

The AA matches the boundaries of the Monmouth-Ocean PMSA 5190 in its entirety. The area consists of urban and rural communities. The eastern most end of the AA is home to many shore communities and is bordered by the Atlantic Ocean. Major communities in the AA include Asbury Park, Long Branch, Middletown, Toms River, Brick, and Lakewood.

Based on the June 30, 2002 FDIC Summary of Deposits, CB/Shore ranked 4th in deposit market share in the AA. Fleet, Wachovia, and Sovereign Bank, each with much larger branch networks, rank above the bank. These three banks had a combined market share of 46% with their individual market shares ranging from 13% to 18%.

After experiencing a slight economic decline in early 2002, the Monmouth-Ocean (MONOC) economy has resumed growth that outpaces the national average. Expansions in the service industry, wholesale and retail trade assisted in fueling this gain. Despite the expansion, the unemployment rate has also moved up, but remains below the state and national rates. Home construction has slowed from the rapid pace set in the late 1990s and early 2000, however, rapid price appreciation continues. At the end of 2002, the median home price had risen to nearly \$262,000.

Slowing construction results from the state government's initiative to limit sprawl in rural areas and channel new development back to cities and older suburbs. As part of this plan, the state government encourages construction in the densely populated coastal areas, targeting such

areas in Monmouth County. However, it actively discourages such development in inland areas and along the Ocean County coast.

Government projections for economic growth in MONOC show an acceleration through 2003 and 2004 with employment gains exceeding both the state and national average. The major industries within this area continue to be trade, services, transportation/utilities and government. In the latter are government jobs related to the US military through employment at US Army Communications Electronics Command at Fort Monmouth and the Earle Naval Weapons Station. The telecom industry had been an important growth driver in the area, but due to overexpansion, continues to see job losses.

Through its outreach efforts, the bank identified the need to provide credit services that allow development and expansion of small businesses, which results in additional employment opportunities and economic stability within the assessment area.

Our community contact included a local non-profit affordable housing organization. The contact identified affordable housing, including rental housing, as a primary need in the AA.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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

Table 1. Lending Volume

LENDING VOLUME		Geography: NEW JERSEY				Evaluation Period: January 1, 2000 to December 31, 2002						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Monmouth Ocean	100.00	6,547	825,309	1,880	292,215	1	354	8	7,279	8,436	1,125,157	100.00

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is January 1, 2000 to March 31, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: NEW JERSEY				Evaluation Period: January 1, 2000 to December 31, 2002								
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Monmouth Ocean	100.00	53	6,402	53	6,402	0	0	0	0	0	0	0	0	100.00

* Loan Data as of December 31, 2000. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From January 1, 2000 to March 31, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE Geography: NEW JERSEY Evaluation Period: Jan 1, 2000 TO Dec 31, 2002															
MA/ Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate- Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Monmouth Ocean	2,117	100.00	1.02	0.47	23.04	18.47	46.18	54.89	29.76	26.17	2.31	0.63	2.05	2.38	2.45

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002															
MA / Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate- Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Monmouth Ocean	1,951	100.00	1.02	0.87	23.04	24.35	46.18	60.53	29.76	14.25	13.63	20.59	21.70	15.71	6.48

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002															
MA / Assessment Area:	Total Home Mortgage Refinance		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total **	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Monmouth Ocean	2,468	100.00	1.02	0.28	23.04	16.73	46.18	56.97	29.76	26.02	2.15	1.89	2.34	2.46	1.61

* Based on 2001 Peer Mortgage Data: Northeast Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multi-family Loans

Geographic Distribution: MULTI-FAMILY Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002															
MA / Assessment Area:	Total Multi-Family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total **	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	% Owner Occ Units ***	% Bank Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Monmouth Ocean	11	100.00	5.69	0.00	33.30	54.55	46.54	36.36	14.47	9.09	1.33	0.00	0.00	4.55	0.00

* Based on 2001 Peer Mortgage Data: Northeast Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002															
MA / Assessment Area:	Total Small Loans to Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Monmouth Ocean	1,880	100.00	1.46	1.22	15.97	17.02	47.86	56.65	34.69	25.11	2.58	3.24	3.22	2.95	2.11

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002															
MA / Assessment Area:	Total Small Loans to Farms		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms ***	% Bank Loans	% of Farms ***	% Bank Loans	% of Farms ***	% Bank Loans	% of Farms ***	% Bank Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Monmouth Ocean	1	100.00	0.12	0.00	12.18	0.00	47.71	0.00	39.99	100.00	0.00	0.00	0.00	0.00	0.00

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002																
MA/ Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families ***	% BANK Loans ****	% Families***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid
Full Review:																
Monmouth Ocean	2,117	100.00	18.33	6.99	18.83	17.16	24.47	28.87	38.37	46.98	2.88	2.73	2.12	3.19	3.04	

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 1.98% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002																
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid
Full Review:																
Monmouth Ocean	1,951	100.00	18.33	11.09	18.83	20.22	24.47	30.12	38.37	38.57	14.19	25.94	16.98	15.13	11.23	

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 0.62% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002																
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid
Full Review:																
Monmouth Ocean	2,468	100.00	18.33	5.86	18.83	16.68	24.47	30.78	38.37	46.68	2.78	3.27	2.87	3.26	2.47	

* Based on 2001 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 1.13% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

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

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Monmouth Ocean	1,880	100.00	78.95	62.29	61.60	19.30	19.10	2.58	4.39

* Based on 2001 Peer Small Business Data: US.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.43% of small loans to businesses originated and purchased by the Bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS Geography: NEW JERSEY Evaluation Period: January 1, 2000 to December 31, 2002									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms ***	% BANK Loans ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Monmouth Ocean	1	100.00	92.10	100.00	0.00	0.00	100.00	0.00	0.00

* Based on 2001 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS Geography: NEW JERSEY Evaluation Period: January 1, 2000 TO March 31, 2003									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Monmouth Ocean	3	2,708	10	4,732	14	7,440	100.00	1	600
Broader Regional Area, with potential benefit	0	0	1	555	1	555	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: NEW JERSEY Evaluation Period: January 1, 2000 TO March 31, 2003																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings					Population				
	% of Rated Area Deposits in AA	# of Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			L	M	M	U	Low	Mod	Mid	Upp
Full Review:																	
Monmouth Ocean	100	30	100	0	16.67	46.66	36.67	6	0	0	0	3	3	2.14	21.19	46.97	29.54